



STUDY OF THE ECONOMIC AND FISCAL IMPACTS

FOR TEXAS STADIUM AND A

NEW COWBOYS STADIUM

This Report Has Been Prepared for

The City of Irving, Texas

By

Turnkey Sports

SportsEconomics

October 15, 2004



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 1. *Patron Out-Of-Stadium Spending Survey Instrument (September 19, 2004)*

 2. *Estimate of Stabilized Operations for the Dallas Cowboys and Stadium Consolidated (1995-2010). Attached But Separate Electronic File (Print on Legal-Sized Paper)*



EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

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Turnkey Sports and SportsEconomics (the “Consultant”) have been retained by the City of Irving, Texas (the “City”) to estimate the economic and fiscal impact of the existing Texas Stadium as well as, in the alternative, a potential new Cowboys football stadium to be located near the existing stadium site.

This report assumes that a new, state-of-the-art NFL football stadium could be constructed on an adjacent site to the existing Texas Stadium; across Highway 114. Under this scenario, the existing Texas Stadium would be demolished at such time that the new stadium commences operation and the existing site would be used for parking. This report further assumes that a potential new Cowboys stadium would be very similar to Houston’s Reliant Stadium, the stadium recently built for the NFL Houston Texans, with one notable exception: this report assumes that the Cowboys will be successful in selling a larger number of suites than is contained in Reliant Stadium.

This report looks at the economic and fiscal impacts in three ways:

1. Impacts from Texas Stadium and the Cowboys currently
2. One-time impacts from construction of a hypothetical new NFL stadium
3. Annual impacts of the Cowboys and other events in a new stadium

Summary of Current Impacts – Annual

A summary of the three methods of impact (Cowboys games, other events, and stadium operations) is shown in Exhibit 1 below. Nearly three-fourths of the economic impact on the City of Irving comes from spending (and associated re-spending) by the franchise and stadium operations. This is consistent with the findings in this report on team and stadium revenues. Given that most of the revenues generated by the franchise and stadium are spent as part of the operations of running the team and facility, it is not



surprising that there is a relatively large impact on the local community directly from franchise expenditures.

Exhibit 1: Summary of Current Economic Impact of Texas Stadium and All Events

Economic Impact - Output			
Direct Spending	City	County	Total
Dallas Cowboys Events			
Direct	\$ 3,963,282	\$ 4,217,012	\$ 8,180,294
Indirect	\$ 2,386,726	\$ 2,617,459	\$ 5,004,184
Total	\$ 6,350,007	\$ 6,834,471	\$ 13,184,478
Other Events			
Direct	\$ 1,180,211	\$ 1,255,768	\$ 2,435,979
Indirect	\$ 709,648	\$ 778,303	\$ 1,487,951
Total	\$ 1,889,859	\$ 2,034,071	\$ 3,923,930
Franchise Operations			
Direct	\$ 15,256,243	\$ 20,229,891	\$ 35,486,134
Indirect	\$ 7,562,214	\$ 10,429,965	\$ 17,992,180
Total	\$ 22,818,457	\$ 30,659,857	\$ 53,478,314
Total Direct Spending	\$ 20,399,735	\$ 25,702,671	\$ 46,102,407
Total Indirect Spending	\$ 10,658,588	\$ 13,825,727	\$ 24,484,315
Total Economic Impact	\$ 31,058,323	\$ 39,528,399	\$ 70,586,722

In summary, the total direct economic impact on the City of Irving from all stadium events and operations is just over \$20 million annually with an additional \$10.7 million in indirect impact annually. The total economic impact on Dallas County is nearly \$40 million per year.

A summary of current fiscal impacts on the City of Irving and Dallas County from all events and the operations of Texas Stadium is shown in Exhibit 2. The City of Irving receives approximately \$2.9 million in new tax revenue and fees from the operation of Texas Stadium. Dallas County receives an additional \$145,000.



Exhibit 2: Summary of Current Fiscal Impact of Texas Stadium and All Events

Net New Incremental Tax Impact			
Tax Category	City	County	Total
Sales and Use	\$ 861,413	\$ -	\$ 861,413
Hotel Occupancy	\$ 47,071	\$ -	\$ 47,071
Mixed Beverage	\$ 43,429	\$ 50,652	\$ 94,081
Ad Valorem ¹	\$ 79,763	\$ 78,781	\$ 158,545
Stadium Rental Fees ²	\$ 1,810,843	\$ -	\$ 1,810,843
Unreimbursed cost to City ³	\$ (78,000)	\$ -	\$ (78,000)
Sub-total	\$ 2,764,520	\$ 129,433	\$ 2,893,953
Indirect Taxation	\$ 159,934	\$ 15,526	\$ 175,460
Total Fiscal Impact	\$ 2,924,454	\$ 144,959	\$ 3,069,413

¹Ad Valorem tax for the City is BPP (0.5479%), and for the County it is BPP (0.54116%). The school district also receives \$257,762.

²Stadium Rental Fees paid to the City.

³Estimate of cost to City for unreimbursed city services pertaining to events.

Summary of Construction Impacts – One Time

Exhibit 3 below shows the total construction costs for a new stadium and the distribution of the expenses across labor & equipment, and materials. Roughly two-thirds of the estimated construction costs of \$577 million will be spent on materials. The total amount spent within the City of Irving is about \$25 million, and nearly \$139 million in Dallas County (excluding Irving). The remainder is spent elsewhere in the Dallas-Fort Worth CMSA or beyond.

**Exhibit 3: Summary and Distribution of Construction Expenditures
 (2006-2007 dollars)**

	Labor vs. Materials	Project Costs	% Spent Within Irving	Amount Spent Within Irving	% Spent Within County	Amount Spent Within County
Labor & Equipment	35.0%	\$202,042,050	3.6%	\$7,181,818	27.6%	\$55,813,590
Materials	65.0%	\$375,220,950	4.7%	\$17,617,253	22.0%	\$82,534,205
Total		\$577,263,000		\$24,799,071		\$138,347,795

Source: Turnkey Sports LLC, U.S. Census Bureau, IMPLAN

¹Results are for Dallas County excluding the City of Irving.

As discussed above, the economic impact of a new stadium in Irving is based on the amount of money spent within Irving, as shown in the table above, and the source of that money. It is assumed by the Consultant (for analysis purposes only) that financing for a new stadium would be 50% paid for by the City and 50% paid for by private sources. Therefore, the gross economic impact of the construction of a new stadium during the construction period is approximately \$44 million to the City of Irving and \$247 million to Dallas County (excluding Irving). The results are shown in Exhibit 4 below.

Exhibit 4: Total Net Output, Earnings, and Employment Economic Impact During the Construction Period

Total Direct Spending		➔	Total Output	Earnings	Employment
Within City of Irving	\$24,799,071		\$43,761,531	\$36,045,410	621
Within Dallas County	\$138,347,795	\$246,908,204	\$199,201,094	3,372	

Note: Gross economic impact does not account for the costs of construction borne by the City.

Net economic impact does account for the sources of funding. As shown in Exhibit 5 below, the City loses \$264 million during the construction period. The reason is that it costs the City nearly \$289 million in direct funding to build the stadium, but the City only receives \$25 million in direct spending during the construction period. Thus, the loss is \$264 million in direct funding. The cause is that 100% of the \$289 million comes from the City, but only about 8.7% is captured within the City. It is important to note that if the alternative use of this \$289 million would also result in only 8.7% “sticking” in the community, then the comparison economic impact to the hypothetical alternative project would be \$0. However, if 100% of the \$289 million spent by the City of Irving on some alternative project were to be spent directly in Irving, then a comparison economic impact would be as stated above, a loss of \$264 million.

Exhibit 5: Total NET Output, Earnings, and Employment Economic Impact During the Construction Period

Total Direct Spending		→	Total Output	Earnings	Employment
Within City of Irving	-\$263,832,429		-\$465,570,314	-\$383,480,025	-6,607
Within Dallas County	\$138,347,795	\$246,908,204	\$199,201,094	3,372	

Note: NET economic impact is net of other uses of City funding (i.e., the city could use its funding to build something else).

It is assumed that the City and private business would each pay for 50% of construction costs.

Dallas County receives the full impact of construction in the above analysis because of our assumption (perhaps incorrect) that they would NOT be involved in the financing of the project. The estimate of the cost of construction does not include the value of the land, infrastructure improvements or transactional costs. The land is estimated to be worth nearly \$16 million.¹ By building a new stadium on the land, the City forgoes the opportunity to use the land for other purposes or sell the land. The impact of the land value is not included in the above table.

Summary of New Stadium Impacts – Annual

The economic impact of all events in a new stadium in Irving in 2010 is summarized in Exhibit 6 below. The City of Irving, if a new stadium were built, would see an annual economic impact of approximately \$51 million, with 74% coming from stadium and franchise operations. Thus, the economic impact of a new stadium on the City is highly dependent on the budget of the franchise and stadium and on where the budget is spent.

¹ Source: Dallas Central Appraisal District.



Exhibit 6: Summary of Economic Impact of New Stadium and All Events in 2010

Economic Impact - Output			
	City	County	Total
Dallas Cowboys Events			
Direct	\$ 5,475,597	\$ 5,826,146	\$ 11,301,743
Indirect	\$ 3,297,771	\$ 3,616,564	\$ 6,914,335
Total	\$ 8,773,368	\$ 9,442,710	\$ 18,216,078
Other Events			
Direct	\$ 2,783,162	\$ 2,961,340	\$ 5,744,502
Indirect	\$ 1,674,394	\$ 1,836,341	\$ 3,510,734
Total	\$ 4,457,555	\$ 4,797,681	\$ 9,255,236
Franchise Operations			
Direct	\$ 25,042,051	\$ 33,424,493	\$ 58,466,544
Indirect	\$ 12,412,844	\$ 17,232,733	\$ 29,645,576
Total	\$ 37,454,895	\$ 50,657,225	\$ 88,112,120
Total Direct Spending	\$ 33,300,810	\$ 42,211,979	\$ 75,512,788
Total Indirect Spending	\$ 17,385,009	\$ 22,685,637	\$ 40,070,646
Total Economic Impact	\$ 50,685,818	\$ 64,897,616	\$ 115,583,434

A summary of the entire fiscal impact of a new stadium in 2010 is shown below in Exhibit 7. The City would receive \$5.3 million in total fiscal impact, \$3 million of which comes from stadium rent. The County would receive \$186,000 in total fiscal impact from a new stadium and all of its events.



**Exhibit 7: Summary of Fiscal Economic Impact of New Stadium
and All Events in 2010**

Net New Incremental Tax Impact			
Tax Category	City	County	Total
Sales and Use	\$ 1,865,821	\$ -	\$ 1,865,821
Hotel Occupancy	\$ 72,976	\$ -	\$ 72,976
Mixed Beverage	\$ 73,888	\$ 76,352	\$ 150,241
Ad Valorem ¹	\$ 85,517	\$ 84,464	\$ 169,981
Stadium Rental Fees ²	\$ 3,000,000	\$ -	\$ 3,000,000
Unreimbursed cost to City ³	\$ (95,882)	\$ -	\$ (95,882)
Sub-total	\$ 5,002,320	\$ 160,817	\$ 5,163,137
Indirect Taxation	\$ 260,911	\$ 25,176	\$ 286,087
Total Fiscal Impact	\$ 5,263,231	\$ 185,993	\$ 5,449,224

¹Ad Valorem tax for the City is BPP (0.5479%), and for the County it is BPP (0.54116%). The school district also receives \$276,356.

²Stadium Rental Fees paid to the City.

³Estimate of cost to City for unreimbursed city services pertaining to events.

For comparison purposes, an estimate of the entire economic impact of Texas Stadium in 2010 was undertaken. This helps link the current economic impact of Texas Stadium in 2004 with the economic impact of a new stadium designed to open in 2009 (but measured for 2010 for comparison). It also allows for comparison to the Arlington study's measurements of economic impact in 2010.

As shown in Exhibit 8 below, the economic impact of Texas Stadium in 2010 on the City of Irving is about \$45 million, most of which comes from franchise and stadium operational spending.



Exhibit 8: Summary of Economic Impact of Texas Stadium and All Events in 2010

Economic Impact - Output			
Direct Spending	City	County	Total
Dallas Cowboys Events			
Direct	\$ 4,871,885	\$ 5,183,784	\$ 10,055,670
Indirect	\$ 2,933,895	\$ 3,217,525	\$ 6,151,420
Total	\$ 7,805,780	\$ 8,401,310	\$ 16,207,090
Other Events			
Direct	\$ 1,450,780	\$ 1,543,660	\$ 2,994,440
Indirect	\$ 872,339	\$ 956,733	\$ 1,829,072
Total	\$ 2,323,119	\$ 2,500,393	\$ 4,823,512
Franchise Operations			
Direct	\$ 23,442,690	\$ 32,740,820	\$ 56,183,510
Indirect	\$ 11,620,073	\$ 16,880,250	\$ 28,500,323
Total	\$ 35,062,763	\$ 49,621,070	\$ 84,683,833
Total Direct Spending	\$ 29,765,356	\$ 39,468,264	\$ 69,233,620
Total Indirect Spending	\$ 15,426,306	\$ 21,054,508	\$ 36,480,815
Total Economic Impact	\$ 45,191,662	\$ 60,522,772	\$ 105,714,434

Exhibit 9 below is a summary of the entire fiscal impact of Texas Stadium and all of its events in 2010. The total tax and fees impact on the City and County is \$3.5 million and \$182,000, respectively.



Exhibit 9: Summary of Fiscal Economic Impact of Texas Stadium and All Events in 2010

Net New Incremental Tax Impact			
Tax Category	City	County	Total
Sales and Use	\$ 1,307,722	\$ -	\$ 1,307,722
Hotel Occupancy	\$ 57,863	\$ -	\$ 57,863
Mixed Beverage	\$ 62,325	\$ 74,132	\$ 136,456
Ad Valorem ¹	\$ 85,517	\$ 84,464	\$ 169,981
Stadium Rental Fees ²	\$ 1,810,843	\$ -	\$ 1,810,843
Unreimbursed cost to City ³	\$ (95,882)	\$ -	\$ (95,882)
Sub-total	\$ 3,228,387	\$ 158,596	\$ 3,386,983
Indirect Taxation	\$ 231,481	\$ 23,773	\$ 255,254
Total Fiscal Impact	\$ 3,459,868	\$ 182,369	\$ 3,642,237

¹Ad Valorem tax for the City is BPP (0.5479%), and for the County it is BPP (0.54116%). The school district also receives \$276,356.

²Stadium Rental Fees paid to the City.

³Estimate of cost to City for unreimbursed city services pertaining to events.

Exhibit 10 below is a summary of summaries. It compares the economic impact of the current operations and all events in Texas Stadium, the operations and all events in Texas Stadium in 2010, and the operations and all events in a new stadium in 2010.

Exhibit 10: Summary of Economic Impact of Various Stadium Scenarios

Economic Impact - Output							
	CITY			COUNTY			
	Current	2010 Texas Stad.	2010 New Stad.	Current	2010 Texas Stad.	2010 New Stad.	
Dallas Cowboys Events							
Direct	\$ 3,963,282	\$ 4,871,885	\$ 5,475,597	\$ 4,217,012	\$ 5,183,784	\$ 5,826,146	
Indirect	\$ 2,386,726	\$ 2,933,895	\$ 3,297,771	\$ 2,617,459	\$ 3,217,525	\$ 3,616,564	
Total	\$ 6,350,007	\$ 7,805,780	\$ 8,773,368	\$ 6,834,471	\$ 8,401,310	\$ 9,442,710	
Other Events							
Direct	\$ 1,180,211	\$ 1,450,780	\$ 2,783,162	\$ 1,255,768	\$ 1,543,660	\$ 2,961,340	
Indirect	\$ 709,648	\$ 872,339	\$ 1,674,394	\$ 778,303	\$ 956,733	\$ 1,836,341	
Total	\$ 1,889,859	\$ 2,323,119	\$ 4,457,555	\$ 2,034,071	\$ 2,500,393	\$ 4,797,681	
Franchise Operations							
Direct	\$ 15,256,243	\$ 23,442,690	\$ 25,042,051	\$ 20,229,891	\$ 32,740,820	\$ 33,424,493	
Indirect	\$ 7,562,214	\$ 11,620,073	\$ 12,412,844	\$ 10,429,965	\$ 16,880,250	\$ 17,232,733	
Total	\$ 22,818,457	\$ 35,062,763	\$ 37,454,895	\$ 30,659,857	\$ 49,621,070	\$ 50,657,225	
Total Direct Spending	\$ 20,399,735	\$ 29,765,356	\$ 33,300,810	\$ 25,702,671	\$ 39,468,264	\$ 42,211,979	
Total Indirect Spending	\$ 10,658,588	\$ 15,426,306	\$ 17,385,009	\$ 13,825,727	\$ 21,054,508	\$ 22,685,637	
Total Economic Impact	\$ 31,058,323	\$ 45,191,662	\$ 50,685,818	\$ 39,528,399	\$ 60,522,772	\$ 64,897,616	



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As shown, current total economic impact on Irving goes from \$31 million currently to almost \$51 million per year in 2010 in a new facility. The bulk of the impact comes from franchise and stadium operations, not from visitors to events. The difference in economic impact in Irving from a new stadium and Texas Stadium in 2010 is \$5.5 million. Exhibit 11 shows a summary of the fiscal impact of all three scenarios.

Exhibit 11: Summary of Fiscal Impact of Various Stadium Scenarios

Fiscal Impact							
	CITY			COUNTY			
	Current	2010 Texas Stad.	2010 New Stad.	Current	2010 Texas Stad.	2010 New Stad.	
Dallas Cowboys Events							
Sales and Use	\$ 26,184	\$ 32,186	\$ 36,165	\$ -	\$ -	\$ -	
Hotel Occupancy	\$ 30,938	\$ 38,031	\$ 42,767	\$ -	\$ -	\$ -	
Mixed Beverage	\$ 2,359	\$ 2,900	\$ 3,261	\$ 4,870	\$ 5,986	\$ 6,732	
Indirect Taxation	\$ 35,820	\$ 44,032	\$ 49,502	\$ 3,023	\$ 3,716	\$ 4,179	
Total Fiscal Impact	\$ 95,301	\$ 117,149	\$ 131,695	\$ 7,892	\$ 9,702	\$ 10,910	
Other Events							
Sales and Use	\$ 7,832	\$ 9,627	\$ 18,440	\$ -	\$ -	\$ -	
Hotel Occupancy	\$ 9,133	\$ 11,227	\$ 21,605	\$ -	\$ -	\$ -	
Mixed Beverage	\$ 697	\$ 856	\$ 1,648	\$ 741	\$ 911	\$ 1,753	
Indirect Taxation	\$ 10,620	\$ 13,054	\$ 25,083	\$ 459	\$ 565	\$ 1,087	
Total Fiscal Impact	\$ 28,281	\$ 34,765	\$ 66,775	\$ 1,200	\$ 1,476	\$ 2,840	
Franchise Operations							
Sales and Use	\$ 827,398	\$ 1,265,908	\$ 1,811,216	\$ -	\$ -	\$ -	
Hotel Occupancy	\$ 7,000	\$ 8,605	\$ 8,605	\$ -	\$ -	\$ -	
Mixed Beverage	\$ 40,373	\$ 58,568	\$ 68,979	\$ 45,041	\$ 67,235	\$ 67,868	
Ad Valorem ¹	\$ 79,763	\$ 85,517	\$ 85,517	\$ 78,781	\$ 84,464	\$ 84,464	
Stadium Rental Fees ²	\$ 1,810,843	\$ 1,810,843	\$ 3,000,000	\$ -	\$ -	\$ -	
Ureimbursed Cost ³	\$ (78,000)	\$ (95,882)	\$ (95,882)	\$ -	\$ -	\$ -	
Indirect Taxation	\$ 113,494	\$ 174,395	\$ 186,326	\$ 12,044	\$ 19,493	\$ 19,911	
Total Fiscal Impact	\$ 2,800,871	\$ 3,307,953	\$ 5,064,761	\$ 135,867	\$ 171,192	\$ 172,243	
Total Direct Spending	\$ 2,764,520	\$ 3,228,387	\$ 5,002,320	\$ 129,433	\$ 158,596	\$ 160,817	
Total Indirect Spending	\$ 159,934	\$ 231,481	\$ 260,911	\$ 15,526	\$ 23,773	\$ 25,176	
Total Economic Impact	\$ 2,924,454	\$ 3,459,868	\$ 5,263,231	\$ 144,959	\$ 182,369	\$ 185,993	

¹Ad Valorem tax for the City is BPP (0.5479%), and for the County it is BPP (0.54116%). The school district also receives 1.7706%.

²Stadium Rental Fees paid to the City.

³Estimate of cost to City for unreimbursed city services pertaining to events.

Total current fiscal impact is about \$2.9 million per year for Irving. In 2010, Texas Stadium would generate \$3.5 million in City fiscal impact. A new stadium would create \$5.3 million in new City taxes and fees.

Summary of Comparison With Arlington Report

The Arlington report differs from this report in key ways, not only in the construction impacts analysis but also in the annual operations impact analysis. These differences have a profound effect on the results of these two reports.

Construction Impacts Comparison

First, in measuring the construction impacts, the Arlington report does not account for the City of Arlington's share of funding construction – fully 50 percent will be coming from the City of Arlington and these funds, in our methodology, are not counted as part of economic impact. Second, the Arlington Report assumes that Arlington's 50 percent share of the construction money comes from a new source that would not normally be a part of the city fund, while our report makes the opposite assumption, i.e., that the City of Irving's 50 percent contribution would come from existing sources thereby diverting those sources from other potential uses. Third, the construction cost that was assumed in the Arlington report (\$620 million) is higher than the cost that is assumed in this report (\$577 million). Fourth, the construction and employment multipliers that are utilized by the Arlington report are significantly larger than the multipliers used in this report. Fifth, the Arlington report measures the construction impacts in 2010 dollars while this report measures them in 2006-2007 dollars – the time period during which the stadium would be built. Finally, and obviously, one report looks at Arlington while the other examines Irving and because the cities are different sizes, different impacts result.

While there are other differences in estimating the construction impacts, these are the major differences that help to explain the discrepancies in the findings of the two reports pertaining to the construction impacts. Exhibits 12 below details the assumptions used by the two reports for the one-time construction impacts.



Exhibit 12: Summary of Construction Assumptions

	THIS REPORT		ARLINGTON REPORT	
Year and Estimated Cost	Year 2006	\$577,263,000	Year 2010	\$620,000,000
<u>Labor & Equipment</u>	35.00%	\$202,042,050	35.00%	\$217,000,000
Percentage Spent Within City	3.60%	\$7,181,818	6.00%	\$13,317,000
Percentage Spent Within County	28.00%	\$55,813,590	30.00%	\$64,701,000
<u>Materials</u>	65.00%	\$375,220,950	65.00%	\$403,000,000
Percentage Spent Within City	4.70%	\$17,617,253	5.00%	\$21,984,000
Percentage Spent Within County	22.00%	\$82,534,205	27.00%	\$106,808,000
<u>Multipliers</u>	<u>Employment</u>	<u>Construction</u>	<u>Employment</u>	<u>Construction</u>
City	17.23	1.76	23.00	2.03
County	16.93	1.78	23.00	2.03

Exhibit 13 below compares the total economic impacts from construction to the City of Arlington according to the Arlington report with the gross economic impacts to the City of Irving in this report.

Exhibit 13: Summary of Construction Outputs

	THIS REPORT	ARLINGTON REPORT	INDEX
<u>Total Output</u>			
City	\$43,761,531	\$71,764,000	61
County	\$246,908,204	\$348,660,000	71
<u>Earnings</u>			
City	\$36,045,410	\$25,117,000	144
County	\$199,201,094	\$122,031,000	163
<u>Employment</u>			
City	621	457	136
County	3,372	2,222	152

Index: Arlington Report = 100 For example, this report estimates that City Total Output for the City of Irving will be only 61% of what the Arlington report has estimated for the City of Arlington.

Operational Impacts Comparison

There are numerous differences between the Arlington report and this report pertaining to the assumptions, methodologies and findings pertaining to the operational impacts. While the construction impacts are certainly important, those impacts are *one-time* impacts that occur only during the construction period. The different findings of the two reports on the operational impacts are absolutely critical because these operational impacts occur *annually* and therefore compound over time (perhaps 30 years or more) to create a significantly different outcome of the two reports.

Capture Rates. First, the Arlington report uses a capture rate of 75 percent for Arlington. What this means is that the Arlington report makes the fundamental assumption that 75 percent of all out-of-stadium spending shall occur within the city limits of the City of Arlington. The Arlington report utilized this figure even though the City of Arlington accounts for less than 6 percent of the Dallas-Fort Worth Consolidated Metropolitan Statistical Area (“CMSA”). By comparison, this report assumes a capture rate for out-of-stadium spending of 18.7 percent for the City of Irving. This 18.7 percent figure comes from prior studies performed for the Dallas Cowboys. We use it here in deference to the prior studies, but believe it to be the upper limit of the out-of-stadium spending that actually “sticks” within the City of Irving. To the extent that this capture rate is, in reality, lower, then the economic impact figures presented in this report would also be lower.

Substitution Effect. Second, the Arlington report discusses but does not account for the “substitution effect.” What this means is that the Arlington report applies the above-mentioned 75 percent capture rate to 100 percent of the 1.5 million new stadium attendees assumed by the Arlington report in 2010. This report, on the other hand, proceeds under the motto that not all attendees are created equal; i.e., not all attendee



spending can be counted when calculating economic impact because a portion of them (we estimate 26 percent) of attendees would be local residents, “casual” visitors, or “time-switchers” who would have spent this money within the city anyway. In short, while the Arlington report applies their 75 percent capture rate to 100 percent of stadium attendees, this report applies our 18.7 percent capture rate to just 74 percent of stadium attendees.

What “Counts” When Estimating Economic Impact? Third, the Arlington report counts spending inside of the stadium (comprising 82 percent of its direct impact measurement) as pertaining to economic impact. What this means is that the Arlington report counts dollars coming in the door for ticket sales, parking revenues, concessions, catering and novelty sales. This report proceeds under the contrary proposition that those revenue streams do not add one penny to economic impact.² Rather, this report uses a methodology that looks only at those monies that come flowing out of the Cowboys’ or stadium corporation’s coffers and into the City of Irving and Dallas County. Under our approach, these budget expenditures by the Cowboys and stadium corporation entities are the only relevant source of dollars driving economic impact and therefore the only dollars that we counted. In other words, this report, right off the bat, deletes 82 percent of the Arlington report’s economic impact as being improper.

Again, while there are numerous differences in assumptions and methods between the two reports, the above mentioned three differences go a long way toward explaining how the Arlington report and this report can reach such different conclusions about the economic impact from operations of a hypothetical new stadium in the years 2009-2010.

² Those revenue streams do, however, add to fiscal impact because they drive sales tax proceeds and mixed beverage tax proceeds into city coffers. We accounted for those revenue streams on fiscal, but not economic, impact.



EXECUTIVE SUMMARY

A comparison of results shows an economic impact figure for the City of Arlington of \$238 million and a fiscal impact figure of \$2.92 million in annual impact in 2010 in a new stadium. For Irving, there is a \$51 million economic impact and a \$5.3 million fiscal impact, as shown in Exhibit 14 below.

Exhibit 14: Comparison of 2010 New Stadium Economic & Fiscal Impacts

	THIS REPORT	ARLINGTON REPORT	INDEX
<u>Total Output</u>			
City	\$50,685,818	\$238,096,000	21
County	\$64,897,616	\$416,130,000	16
<u>Earnings</u>			
City	\$31,241,580	Not In Report	N/A
County	\$38,226,892	\$50,755,000	76
<u>Employment</u>			
City	903	807	112
County	804	1,940	41
<u>Fiscal Impact</u>			
City	\$5,263,231	\$2,916,000	180
County	\$185,993	\$0	N/A

Index: Arlington Report = 100 For example, this report estimates that City Total Output will be only 21% of what the Arlington Report has estimated

The fiscal impact comparison above is a little misleading. The Arlington figure of \$2.9 million does not include any: (a) rental payments that the City of Arlington would receive from the Cowboys or the stadium corporation controlled by the Cowboys; (b) ad valorem taxes; (c) Business Personal Property taxes; and/or (d) mixed beverage taxes. The Arlington report includes only sales taxes and hotel occupancy taxes estimated to be received by the City of Arlington (both of which are also included in this report).



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This report's \$5.3 million fiscal impact figure in the above table looks at and includes all of the above mentioned fiscal impacts, including an assumption of a \$3 million annual rental payment received by the City of Irving from the Cowboys or the stadium corporation controlled by the Cowboys. If the comparison of the two reports were made on an apples to apples basis (just sales and hotel occupancy taxes), then the comparable fiscal impact figure used by this report in comparison to the Arlington report's \$2.9 million figure would be \$1.9 million and would index to 65 percent of the fiscal impact figure presented in the Arlington report.

Calculating economic and fiscal impacts is not an exact science. Over the years many different scholarly approaches have been applied to these kinds of analyses. Given the sheer number of assumptions that go into an analysis like this and given the number of different methodologies that have been utilized by scholars across the country, it is easy to see why results can vary widely.

There are a number of differences in the way this report approached this project compared to the way the Arlington report approached it, both in the construction analyses and the new stadium analyses. Some of the differences can be found in the assumptions, both in the stadium and outside the stadium. Some of the differences can be found in the methodological approach. This report's comparison of the two reports is NOT intended in any way as a critique or evaluation of the Arlington report and should not be used as a substitute for reading both reports in their entirety.



INTRODUCTION



Methodology

One purpose of economic impact analysis is to provide the public with relevant information regarding the return on an investment in a development project. The management of financial and real estate resources is decided directly by government officials and indirectly by citizen voting. Economic impact provides a metric for comparison to other possible investment projects. While this report does not compare the Cowboys to other projects, it does provide the City with the ability to do that at any point in the future, should the City decide to do so.

Economic impact is based on the theory that a dollar flowing into a local economy from outside of the local economy is a benefit to the locality. In order to measure incremental impact, the cause of the impact must first be identified. The most important underlying principle in evaluating incremental impact is to measure new economic benefits that accrue to the region that would not have otherwise occurred. While this sounds simple, part of the difficulty lays in measuring what would have happened to the region without the construction of the stadium, considering that the situation is purely hypothetical.

The financial return for citizens is in the form of new jobs, new earnings, and new tax revenues that occur because of the initial development of the stadium and through new spending in town during the operation of the stadium. These new earnings, for instance, are generated for citizens who are not directly associated with the stadium or its tenants, but who are the beneficiaries of the positive externalities that sports teams may provide to communities. Positive externalities, or overflow benefits, are those benefits that are produced by a stadium and its tenants, but are not captured by either entity. When visitors comes to Irving to watch a Cowboys game, they may spend money at local food establishments, gas stations, retail stores, a hotel or motel, etc. This spending benefits the



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owners and employees of those establishments thereby creating a positive direct incremental impact.

An important concept that is determined early in a report of this nature is the geographic area of impact. Generally, the geographic region upon which the incremental impact is measured is the region that is considering funding part of the stadium costs. In this way, the proper cost-benefit analysis is performed. If the City of Irving partially funds a development project, then the citizens of Irving pay for the investment. The correct comparison is to determine the benefits that the City of Irving receives, not some other city, county, or state or combination thereof. This report analyzes the incremental impact on the City of Irving and Dallas County (excluding the impact on the City). Hence, each geographic area is mutually exclusive as defined.

The area of impact is a significant factor in determining the amount of new spending that occurs. As an example, imagine a local resident who typically spends his or her entertainment dollars attending the movies or the zoo. If a new stadium is developed and the resident spends money at the stadium and in the surrounding areas, but does not continue to attend the movies or zoo as often, then the spending that has occurred will not be new spending, but rather substituted, displaced, or redirected spending. In general, it is improper to count this spending in the incremental impact totals. However, if this person spends more in total on entertainment (as opposed to saving it or even spending it on entertainment outside of the city) then the net difference can be counted as new spending and part of incremental impact.

A resident of Dallas, for instance, may decide to attend events at a new Irving stadium instead of his or her usual entertainment habits in Dallas. In this case, she is adding new money to the City of Irving and providing a positive incremental impact. However, she



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is not adding new money to Dallas County. She is, therefore, providing zero incremental impact for the County, but positive impact for the City.

To be conservative, most of local spending is considered to be displaced spending and is not counted as part of incremental impact. For this reason, it is very important to be able to delineate attendees into visitors and residents. There is a further delineation of visitors into: (1) visitors who were already in town for another reason, but decided to attend the event anyway (“casual” visitors), (2) visitors who would have come to town during another nearby time period, but instead opted to attend the event during this time period forgoing coming to town another time (“time-switchers”), and (3) visitors who are in town because of the event and would not have come to town otherwise. This latter group constitutes visitors whose spending is fully counted as being part of direct spending economic impact. The spending by “casual” visitors and “time-switchers” is not fully counted as new spending, only the incremental spending is counted (if it can be measured).

Economic benefit is measured through direct spending, which has two different components. The first component is visitor spending. For example, how much are people spending at events within the stadium? This also includes how much they are spending for their entire stay on restaurants, retail, transportation, lodging, etc. Also, event participants such as musical groups or visiting teams spend money in the local geographic area.

Another component is organizational spending. How much is spent by the stadium and its tenants in their normal course of business? The stadium and its tenants spend money on repairs, maintenance, event operations, salaries, supplies, and other expenses. The incremental impacts resulting from the operation of a stadium occur every year during the useful life of the stadium.



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During the construction phase of a stadium or district, purchases are made on materials and labor. These purchases affect other industries such as transportation, utilities, manufacturing, etc. The resulting construction impacts occur during the few years of construction (with some of the induced effects continuing afterwards).

For the purposes of this report, quantifiable impacts are in the form of *incremental impacts* which are subdivided into three stages of impact: *direct*, *indirect*, and *induced* impacts. Each of these is further sub-divided into *total output*, *earnings* or *income*, and *employment* effects. Descriptions of each term follow.

Direct Spending in the City of Irving and Dallas County that would not otherwise occur without each scenario in place is measured. Direct spending will occur during the construction period on materials and labor. Some of the expenditures will be on materials and labor that are located outside of the City of Irving and the County thereby not producing incremental impact for either of those areas. Direct spending will also occur during the operation of a stadium or district. This spending will be derived from:

- Team operations (salaries, scouting, operations, administration, etc.);
- Visiting team and other event participants' spending (visiting participants come to Irving for events held annually);
- Stadium operations (operations, maintenance and repair, administration, salaries, etc.);
- Visiting spectator spending outside of the stadium at local restaurants, retail stores, etc.³

Each of these expenditure categories will be adjusted for spending that occurs outside of the City and County. This report utilizes both primary research (e.g., survey analysis),

³ Visiting spectator spending that occurs within the stadium will be accounted for in team and stadium operations information.

and secondary research (comparable situations in other locations with adjustments for the local region). The details are discussed in the appropriate sections.

The incremental output that results from the direct spending during construction or operations of a stadium subsequently affects many other industries and workers. For instance, when a group of visitors attends an event, they may spend money in a local restaurant before the event. The restaurant will disburse some of this money to pay employees, to purchase food, to pay utilities, and so on. The food wholesaler will pay the farmer who then purchases clothing at the local retail store. These additional expenditures continue through the successive rounds until the money either leaks out of the local economy or is saved within the local economy for a significant period of time.

The *indirect* incremental impacts are those that occur in the local region or area of impact that are the re-spending of the initial visitor expenditures. The summation of each successive round of re-spending constitutes the indirect impact estimate.

The *induced* incremental impact is the effect of the direct and indirect incremental impact on earnings and employment. As the initial spending and subsequent re-spending occurs, a portion is retained as income by local residents and employees. The increase in demand from the incremental impact leads to increases in employment, which will also affect earnings.

The concept of multipliers is based on the theory that part of a dollar injected into a local economy will be re-spent locally, thereby affecting more than the original recipient of the dollar. The businesses, hotels, and organizations that receive the initial direct spending generally re-spend it in five ways:

- With other businesses in the same local economy on inventory, maintenance, etc.;
-



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- With employees who reside in the same local economy as wages, tips, etc.;
- With local government as sales taxes or property taxes;
- With non-local governments as sales taxes or taxes on profits;
- With employees, business, or organizations who reside outside of the local economy.

The first three categories above are types of spending that re-circulate throughout the local economy. These last two categories of spending mentioned above are considered “leakages” outside of the geographic region and reflect the notion that a region is not economically isolated, but engages in commerce with other regions. The larger and more diverse the geographic region, the less leakage there is, all things being equal.

Using the above five scenarios, input-output tables are created that disaggregate an economy into industries and examine the flow of goods and services among them. Multipliers are then mathematically derived which uniquely describe the change in output for each and every industry as a result of the injection of one dollar of direct impact into any of those industries. The process allows a separate multiplier to be applied for each of the 528 industry groups.

The size of the defined local economy affects the value of the multipliers. A smaller defined local geographic region implies that more game attendees are visitors (as opposed to residents), as described above. However, smaller geographic areas suffer from a greater degree of “leakage” because a smaller geographic region is less self-sufficient than a larger region.

In this report, direct spending is used to estimate indirect spending by using multipliers from a regional economic impact model from the USDA Forest Service IMPLAN (IMpact Analysis for PLANning), now supplied by MIG (Minnesota IMPLAN Group).⁴

⁴ There are over 1,500 active users of MIG databases and software in the United State as well as internationally.

Here is an example of the multiplier in action. If a group of spectators from outside of the region comes to visit the stadium and spends \$500 in the community, or if this money is spent by a visiting team or touring show coming to the stadium, then this initial direct expenditure stimulates economic activity and creates additional business spending, employment, household income, and government revenue in the host community. The initial spending is called the *direct impact* and the ripple effect is termed the *multiplier effect*.⁵

The stadium, restaurants, retail stores, transportation, and others who receive a portion of the initial \$500 will spend it in one of the five ways listed above. The remaining portion of the initial spending that does not leak out of the economy is then spent in one of the same five ways and the chain of events continues. The subsequent rounds of spending are termed *indirect impacts* and stem from the *multiplier effect*.⁶ There are different types of multipliers and each has a specific purpose. The multipliers are complementary, not additive.

The first type of multiplier is called an *output*, sales, or transaction multiplier. It measures the direct, indirect, and induced effect of an extra unit of visitor spending on economic activity within a local economy. This multiplier relates tourism expenditure to the increase in business financial turnover that is created. There are 528 industries, each having its own multiplier. In the analysis that follows, the multipliers have been reduced to 39 aggregated industry sectors with only the relevant tourism sectors analyzed.

An *income* multiplier, the second type, measures the direct, indirect, and induced effects of an extra unit of visitor spending on the level of household income in the local

⁵ To be clear, the *multiplier effect* leads to the calculation of the *indirect* and *induced* impacts.

⁶ It is important to note that most multiplier analysis does not account for when the money is re-spent. Some multiplier matrices attempt to account for this (e.g., REMI) and adjust for when spending occurs when calculating the multiplier by deflating it for money that is saved for a significant period of time.



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economy. It is operationalized as the ratio of change in income to the initial autonomous change in expenditure that brings it about. It is the clearest indicator of the effect of incremental impact on residents of the host community.

The third type of multiplier is called an *employment* multiplier. Employment multipliers measure the direct, indirect, and induced effects of an extra unit of visitor spending on employment in the local economy. It measures how many full time equivalent (“FTE”) jobs are supported in the local economy as a result of visitor expenditure. The multipliers used in this report are shown in Exhibits 15 and 16 below.

Exhibit 15: Multipliers for City of Irving

	City of Irving		
	Output	Earnings	Employment ¹
New Construction	1.76	0.82	17.23
Transportation	1.61	0.61	13.86
Retail	1.57	0.70	22.67
Lodging	1.60	0.75	21.01
Entertainment	1.57	0.68	34.32
Food and drink	1.63	0.77	23.49
Other miscellaneous	1.50	0.58	10.18

¹The employment multiplier is measured on the basis of a \$1 million change in output.
 Source: IMPLAN 2004.

Exhibit 16: Multipliers for Dallas County

	Dallas County		
	Output	Earnings	Employment ¹
New Construction	1.78	0.81	16.93
Transportation	1.63	0.62	13.48
Retail	1.57	0.71	20.11
Lodging	1.62	0.75	19.43
Entertainment	1.60	0.71	26.01
Food and drink	1.65	0.76	23.56
Other miscellaneous	1.52	0.55	10.19

¹The employment multiplier is measured on the basis of a \$1 million change in output.
 Source: IMPLAN 2004.

The most critical part of conducting an economic impact analysis is to insert *realistic* assumptions into the economic impact model. For the purposes of this report, the Consultant has gathered primary and secondary research from comparable NFL markets in order to estimate the economic and fiscal impacts in three ways:

1. Impacts from Texas Stadium and the Cowboys currently
2. One-time impacts from construction of a hypothetical new Cowboys stadium
3. Annual impacts of the Cowboys and other events in a new stadium⁷

The fiscal implications of economic impact are often complex. For the purposes of this report, tax and government revenue effects relevant to the City of Irving and Dallas County will be investigated. In particular, these include Sales Tax, Hotel Occupancy Tax, Mixed Beverage Tax, Ad Valorem Tax, and Stadium Rental Fees.⁸

Expenditures corresponding to events in Texas Stadium both within the Stadium and around the Stadium and community lead to the following relevant taxes:

Sales Tax: 1.0% going to the City of Irving.

Hotel Occupancy Tax: 7.0% going to the City of the consideration paid by occupant.

Mixed Beverage Tax: 1.5% going to the County, 1.5% going to the City of gross receipts.

⁷ This report does NOT attempt to assess the probability of such a new Cowboys stadium attracting the once-every-other-decade “mega” events like the Super Bowl or the NCAA Final Four basketball tournament. With all the new venue construction in the NFL, there are now or will soon be 20 NFL markets competing for each Super Bowl, not including the possibility of a new NFL-owned stadium in Southern California. Moreover, there are now or will soon be 15 domed stadiums competing for each Final Four. As of the writing of this report, it is simply not possible to predict when or even if a “mega” event would be played during the useful life of such a new stadium.

⁸ Sales Tax is charged on tickets, food & beverage, merchandise, and parking in Texas Stadium



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Ad Valorem Tax: 0.5479% of real property and Business Personal Property (BPP) value goes to the City, 0.54116% of BPP value goes to the County, and 1.7706% goes to the local school district.

Stadium Rental Fees: 8% of the rental fee for use of Texas Stadium goes to the City of Irving's General Fund, and an additional 4% goes to stadium improvements.

Fiscal impacts are calculated by analyzing the marginal tax rates for each category in relation to direct impacts.⁹

Sources of Information

In order to conduct a thorough analysis as required by the scope of services with the City, the Consultant has reviewed the following items of information and spoken to the following individuals:

- a) Smith Travel Reports for the years 2001, 2002, 2003 and 2004.
- b) 1988 study prepared by The Center for Economic Development and Research University of North Texas entitled: The Hotel Industry, Texas Stadium and Hotel Occupancy Taxes.
- c) 1992 study prepared by Hammer, Siler, George & Associates entitled: Texas Stadium Analysis of Impact for the Irving Convention & Visitors Bureau.
- d) A list of the taxes and other fees that are applicable within the City of Irving provided by the City of Irving.
- e) Analysis of business traveler expenditures versus leisure traveler expenditures prepared by the Irving Convention & Visitors Bureau.
- f) The original Texas Stadium Lease and a summary thereof.

⁹ There was no attempt to measure Electric, Gas, Telecom, Health Permits franchise fees, or any other form of government revenue other than those sources listed above.



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- g) The current Texas Stadium Lease and a summary thereof.
 - h) History of revenue to the City of Irving from Texas Stadium.
 - i) Explanation of the Bond Call and Tender Program and of the various Texas Stadium Funds that have been used to receive Texas Stadium revenues.
 - j) Aerial photographs of the Texas Stadium site.
 - k) Summary of Texas Stadium parking spaces provided by the City of Irving.
 - l) The Independent Accountants (KPMG) Report on Applying Agreed-Upon Procedures for the Texas Stadium Corporation dated June 8, 2004.
 - m) Memorandum dated December 5, 2002 prepared by Vinson & Elkins for the City of Irving regarding the Available Funding Sources for the Construction of a new Stadium for the Dallas Cowboys Football Club and Related Development Activities.
 - n) Copies of master planning drawings and other planning analyses prepared by RTKL entitled: Northwest Corridor/Las Colinas Land Use Study.
 - o) The report dated August 11, 2004 prepared by Economics Research Associates entitled: Economic and Fiscal Impacts for the Proposed NFL Stadium in Arlington, Texas (the "Arlington Report").
 - p) Correspondence dated September 7, 2004 prepared by Cathy Duncan, Revenue and Debt Manager of the City of Irving.
 - q) The Consultant has spoken with various officials of the City of Irving, including, but not limited to: the Mayor, City Manager, Deputy City Manager, Director of Finance and Manager of the Financial Services Department.
 - r) The Consultant or our associates have spoken with senior level executives with the following organizations: the National Football League; the Atlanta Falcons, Baltimore Ravens, Chicago Bears, Cleveland Browns, the Denver Broncos, Houston Texans, New York Giants, New York Jets, Tampa Bay Buccaneers, and
-

- several other IAAM members responsible for operating NFL stadiums.¹⁰ The Consultant is also familiar with the business operations of several other NFL franchises and is a paid consultant to several of these NFL franchises.
- s) The Consultant retained the services of an independent subcontractor to review the financial estimates of operating performance for the Cowboys and the stadium corporation contained in this report. This independent subcontractor has more than 8 years experience as the Chief Financial Officer in the NFL and more than 20 years experience as a Chief Financial Officer in professional major league sports on the franchise and venue side.
 - t) The Consultant has spoken with senior level executives at private management companies and concessionaires and caterers, including those that are responsible for operating those businesses at comparable NFL stadiums and, in particular at Reliant Park in Houston.
 - u) The Consultant maintains a current database of information pertaining to the NFL business and also subscribes to a number of publications which provide supplemental information including, but not limited to: Team Marketing Report, The Migala Report, Kagan's Business of Pro Football; the Sports Business Journal, Revenues From Sports Venues 2004, etc.
 - v) The Consultant has reviewed the NFL Constitution and By Laws and the leases of a number of NFL franchises.
 - w) The Consultant has reviewed the financial statements for all 32 NFL clubs as well as league averages as contained in the league-published "Quartile Reports" for the following years: 2002, 2001, 2000, 1999, 1998, 1997, 1996 and 1995.
 - x) The Consultant has reviewed summary financial statements for recent years from the NFL Green Bay Packers, a public corporation.

¹⁰ It should be noted that the Consultant did not speak with any employees or representatives of the Dallas Cowboys for this engagement. The Cowboys have entered into an agreement with the City of Arlington that prohibits the Cowboys from working with Irving or any other City on any matter pertaining to a new stadium for a period of time that overlaps and extends beyond this engagement.



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- y) The Consultant has reviewed the most recent several years of Visiting Team Share (“VTS”) reports produced by the NFL for the purpose of calculating and processing payment to clubs each week of the VTS pool of net ticket sales.
- z) The Consultant has reviewed league-published financial information pertaining to the “Common Revenues” and “Common Expenses” for the following years: 2003, 2002, 2001, 2000, 1999, 1998, 1997, 1996 and 1995.
- aa) The Consultant conducted primary research for this engagement on Sunday, September 19, 2004 at the NFL game between the St. Louis Rams and the Atlanta Falcons at the Georgia Dome in Atlanta, Georgia.¹¹
- bb) Minnesota IMPLAN Group, Inc. supplied the multipliers for use in the measurement of indirect impact.

Qualifications

Turnkey Sports is a leading sports business consultant that has, as a distinct entity, been in operation since 1997. The principals of Turnkey Sports have been actively involved in the operation of sports properties and sports venues dating back to 1985. Turnkey Sports specializes in four (4) key service areas for public sector and private sector clients: (1) Facility Feasibility studies; (2) Market Research; (3) Executive Search; and (4) Advisory & Deal Services.

Turnkey Sports has performed numerous studies similar to this study and has also assisted clients in negotiating and implementing numerous stadium and arena deals. Turnkey Sports is currently an advisor to the City of New York Economic Development Corporation on numerous sports projects. The firm also has recently performed similar

¹¹ It should be noted that the Consultant requested but was refused permission to conduct primary research at Texas Stadium. The Cowboys have entered into an agreement with the City of Arlington that prohibits the Cowboys from working with Irving or any other City on any matter pertaining to a new stadium for a period of time that overlaps and extends beyond this engagement.



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studies on potential new venues in Baltimore, Columbus, Dearborn, Louisville, Memphis, Pittsburgh, Sacramento and other markets. Turnkey Sports has performed market research and other services for the National Football League and numerous NFL franchises over the last seven years. The firm is familiar with the NFL business model and is knowledgeable about the most recent trends permeating the sport. Turnkey Sports is currently assisting two U.S. markets with the pursuit of a NFL franchise.¹²

Economist Dr. Daniel Rascher founded SportsEconomics in 1998. Dr. Rascher teaches and publishes research on sports business topics and consults to the sports industry. He specializes in economics and finance and more specifically in industrial organization, antitrust, mergers and acquisitions, valuation, economic impact, feasibility research, damage analysis, strategy, and labor issues in the sports industry. As Founder and President of SportsEconomics, his clients have included companies involved in the NFL, NBA, NHL, PGA, NCAA, AHL, Formula One racing, CART, Premier League Football (soccer), various quasi-governmental sports authorities, B2B enterprises, and IHRSA.

Dr. Rascher received his Ph.D. in Economics from the University of California at Berkeley. He is Director of Academic Programs for the Sport Management Program at the University of San Francisco (USF), where he also teaches courses in sports finance, sports economics, and sports business research methods. Prior to joining USF, Dr. Rascher was an Assistant Professor at the University of Massachusetts, Amherst. Dr. Rascher has authored articles for academic and professional journals and book chapters in the sports management and economics field, and has been interviewed numerous times on television, radio, and for newspaper and Internet articles on topics related to sports economics and the sports industry in general.

¹² Turnkey Sports has not ever performed work for the Dallas Cowboys or the Texas Stadium Corporation.



CURRENT IMPACTS – ANNUAL

This section of the report describes the assumptions, methods and resulting annual estimates for the economic and fiscal impacts currently being generated by the Dallas Cowboys and Texas Stadium to the City and the County.

On-Site Assumptions

The Consultant has reviewed the Cowboys historical attendance, historical ticket price scales, historical suite sales and historical league reports dating back to 1995. The Consultant has also reviewed similar historical information for other NFL clubs, as well as league and quartile averages for all 32 clubs dating back to 1995. The assumptions that follow pertaining to the Cowboys and Texas Stadium are NOT intended to reflect actual 2003 figures. The Consultant has built a financial model representative of a stabilized year of operations that serves as a rough estimate of the 2003 financial performance for the Cowboys and Texas Stadium. Please note that the Cowboys have not made any financial or other information available to the Consultant and, because the Cowboys are a private entity (actually multiple entities), such information is not available from other sources. Therefore, the following assumptions represent the opinion of the Consultant and should not be misconstrued as actual.

Event & Attendance Assumptions

The consultant has reviewed recent event reports from comparable enclosed NFL stadiums (except, notably, for Texas Stadium for which event reports have not been made available to us). This report assumes a total of 26 publicly ticketed events at Texas Stadium in a typical or “average” year. Exhibit 17 below summarizes the event and attendance assumptions used in this report for current time.¹³

¹³ This report does NOT attempt to assess the probability of such a new Cowboys stadium attracting the once-every-other-decade “mega” events like the Super Bowl or the NCAA Final Four basketball tournament. With all the new venue construction in the NFL, there are now or will soon be 20 NFL markets competing for each Super Bowl, not including the possibility of a new NFL-owned stadium in Southern California. Moreover, there are now or will soon be 15 domed stadiums competing for each Final Four. As of the writing of this report, it is simply not possible to predict when or even if a “mega” event would be played during the useful life of such a new stadium.



Exhibit 17: 2003 Event and Attendance Assumptions

	Annual Events	Average Paid Tickets	Average Comp Tickets	Average No Shows	Total Attendance (Annual)
Pre-Season NFL	2	57,681	577	2,912	110,692
Reg-Season NFL	8	64,085	321	1,290	504,928
Post-Season NFL	0	64,132	0	0	0
College Football	2	50,000	2,500	5,250	94,500
HS Football	12	10,000	500	1,050	113,400
Soccer	1	40,000	2,000	4,200	37,800
Concerts	1	40,000	1,200	1,236	39,964
Festivals	0	25,000	50	752	0
Motor Sports	0	40,000	1,200	1,236	0
Other Events	0	25,000	750	773	0
ANNUAL TOTALS	26				901,284

Ticket Sales & Rental Income Assumptions

This report assumes approximately 57,681 paid tickets and 55,346 in turnstile attendance for two pre-season games. For regular-season games, the report assumes approximately 64,085 in paid tickets and 63,116 in turnstile attendance for eight games. We have applied a detailed model to estimate the number of tickets sold in season packages, in advance individually and at the gate individually to reach these figures. After adjusting for sales tax, service charges and credit card expenses, we estimate that the Cowboys earned approximately \$31 million in net ticket sales for 2003.

Rental income to the Texas Stadium Corporation was estimated using industry standards for percentage rental deals. We have assumed that the Cowboys do not pay themselves “rent” for their own home games.¹⁴ For college football, high school football, soccer, and other events we have assumed straight percentage rent deals ranging from 5 percent

¹⁴ For clarification purposes, the Cowboys do pay “rent” to the City of Irving, which owns Texas Stadium. The City has provided these historical figures to us and our model includes approximately \$1.8 million in annual payments that the Cowboys make to the City of Irving for the right to control Texas Stadium and play home games there. These annual payments are calculated with three (3) distinct formulas and are generally referred to as the Cowboys’ “rent.”



to 20 percent. In total, we estimate approximately \$1 million in rental income and \$3.3 million in total (excluding food & retail) event expenses for the stadium - \$1.5 million of that amount being reimbursed.

Local TV & Radio Assumptions

The Consultant has reviewed historical financial information for the Cowboys and the other 31 NFL clubs dating back to 1995. The Consultant has calculated an average Compound Annual Growth Rate (“CAGR”) for that period (8.5 percent) and utilized that same CAGR to estimate 2003 income for local broadcasting income and shoulder programming. This report estimates that the Cowboys earned \$9.1 million in 2003 for local TV and radio revenue, net of direct production costs.

Premium Revenue Assumptions

The Consultant has reviewed historical information for the Cowboys and the other 31 NFL clubs for “Premium Revenue” dating from 1995 through 1999. We have also reviewed the Cowboys current premium seat inventory at Texas Stadium and their current price scales for such inventory. Examining the Cowboys current price and inventory mix and the historical CAGR of approximately 4.9 percent, this report estimates that the Cowboys earned approximately \$14.2 million in 2003 from premium seating. This figure is net of sales tax and is strictly for the “premium” portion of suite and club seat lease revenue and does not include the “ticket” portion of the suite revenue which was included in the ticket sales figures discussed previously.



Food Service & Retail Assumptions

The Consultant maintains a database of industry information pertaining to the concessions and catering operations at stadiums and arenas around the United States. The Consultant has also reviewed game-day reports and other reports from other NFL stadiums and interviewed concessionaires from other NFL stadiums in order to estimate the food service revenues and expenses at Texas Stadium. Moreover, the Consultant has reviewed historical information for the Cowboys and the other 31 NFL clubs for Concessions and Catering dating from 1995 through 2002. Our model uses a \$12.25 per cap (per cap means per person) for the general stadium concessions, \$7.50 per cap for the catering business and \$2.50 for retail per cap for all NFL games. The overall blended per cap, including NFL games and other events at Texas Stadium, is estimated to be \$19.82. After deducting sales and mixed beverage taxes as well as estimated costs for cost of goods sold, labor, and management fees, we estimate that the Cowboys earned approximately \$6.2 million in 2003 from net food service income and approximately \$638,650 in net stadium retail.

Other Local & Miscellaneous Revenue Assumptions

The NFL Quartile Reports use two separate line items called “Other Local Revenue” and “Miscellaneous Revenue.” The Consultant has reviewed historical information for the Cowboys and the other 31 NFL clubs for these categories and compared it to information gleaned from interviews with several other NFL clubs. The Consultant has also reviewed summary financials for the Green Bay Packers, a public company. Between 1995 and 1999, the Cowboys reported Other Local Revenues increasing at 9.23 percent CAGR. Miscellaneous Revenues increased at 6.92 percent CAGR during this time and we have modified this slightly to 5 percent from 2000 onward.



This report estimates Other Local Revenues for the Cowboys in 2003 to have been approximately \$18 million, made up of various forms of corporate sponsorship sales.

This report estimates Miscellaneous Revenues to be approximately \$19 million, made up of the following revenue streams: offsite retail sales; parking revenues; promotional licensing (i.e., licensing companies with the right to use the Cowboys' intellectual property in the marketplace); reimbursed event expenses; stadium retail sales; stadium rental income (discussed earlier); and TicketMaster rebates.

In the NFL, club marketing directors tend to compare notes on a measure called "local marketing revenue" which is the amount of revenue that a club can derive from corporate sponsorship (including naming rights), local media and promotional licensing. We estimate that the Cowboys are in the range of approximately \$30-33 million on this measure, which, if accurate, would rank them at or near the top of the league and is particularly strong considering that there is no naming rights partner for Texas Stadium.

Common (League) Revenue Assumptions

The NFL distributes "Common Revenue" to each NFL club, which is the shared revenue derived from numerous sources, but primarily four categories: (1) national television revenue from the over-the-air networks, ESPN, DIRECTV, etc.; (2) national radio revenue from CBS Radio, Westwood One and Foreign Language Radio; (3) international television distribution; and (4) sponsorship, promotional licensing, product licensing and distribution deals crafted by NFL Properties, NFL Enterprises and NFL Films. The Consultant reviewed historical common revenues reported by the NFL from 1995 thru 2003 and also the common revenues received by the Green Bay Packers from 2000-2003.

For 2003, the Consultant estimates that the Cowboys received approximately \$87.2 million from the NFL in shared common revenue.¹⁵

Player Cost Assumptions

Moving over to the expense side of the ledger, the Consultant has reviewed player cost information from the Cowboys, the NFL and the NFL Players Association (“NFLPA”) in order to estimate 2003 player costs. Player costs tend to be volatile and unpredictable. For example, the Cowboys were able to reduce player costs significantly from 1999 to 2001 as they re-tooled their team, but then experienced a large increase in 2002. Between 1995 and 1999, we estimate that the effective CAGR for the Cowboys was 11.54 percent. Between 2000 and 2003, we estimate that the effective CAGR for the Cowboys was 15.65 percent. Overall, from 1995 thru 2003, the Cowboys’ player salaries grew at 13.37 percent CAGR – and that includes a drop of more than 30 percent in 2001. However, the NFL Quartile Reports indicate that the top quartile NFL clubs were growing player salaries at a much slower clip, approximately 8 percent CAGR. We estimate 2003 player costs in the range of \$80.7 million and have used a 9 percent CAGR going forward. Our reasoning in selecting 9 percent is two-fold: first, the current coaching staff has a track record in getting more out of less; and, second, until the new stadium opens, the Cowboys cannot “afford” to grow player costs at a higher clip and still be able to maintain their recent levels of operating profit. Even one tick up or down in this CAGR assumption makes a material difference in estimating out to 2010. It is probable that actual player costs will vary from our estimate and may vary significantly.

¹⁵ There are times when certain clubs and analysts show Visiting Team Share (“VTS”) of net ticket sales as part of “Common Revenue.” However, technically, VTS is a separate revenue sharing structure from Common Revenues and we therefore have included VTS within the ticket sales estimates.



Team Expense Assumptions

“Team Expenses” is better thought of as football operations. These are the costs to run the football side of the organization and actually put a football team on the field. The Consultant has reviewed team expenses reported by the Cowboys dating back to 1995 as well as similar reports for the other 31 NFL clubs. Our model assumes approximately 70 FTE employees for the Cowboys within the team expense line item working in the following areas: front office staff; coaching staff; football operations; player personnel; player development; college scouting; pro scouting; medical staff; training staff; etc. Additional team expenses would include: audio-visual; automotive expense; uniforms; computer equipment; insurance; professional fees; meals; medical; office supplies; training camp; training equipment & supplies; travel; etc. This line item for the Cowboys has grown at an approximately 14.5 percent CAGR over the last eight years and we estimate 2003 Cowboys Team Expenses to be in the range of approximately \$19.6 million for the Cowboys. This should put them a slight bit below average of the top quartile clubs in 2003.

Stadium Rental / Stadium Debt Assumptions

The City of Irving has provided the Consultant with historical stadium “rent” payments made by the Cowboys to the City of Irving. Recently, those payments have been approximately \$1.8 million and we have used that figure without growth from 2003 to 2008. The Consultant has not been engaged to review or audit this annual amount. While it is known that the Cowboys have made significant investments in Texas Stadium with the addition of suites and other upgrades, it is not known how much annual debt service the Cowboys are carrying specific to the stadium.



Stadium Operations Assumptions

Stadium Operations expenses include numerous line items and can be grouped into four main categories: (1) salaries and benefits for management (this does not include event expenses which are discussed below); (2) general administrative expenses for the stadium operations company (including non-reimbursed event expenses); (3) repairs and maintenance costs; and (4) utilities including electric, gas, water and telephone.

In 1999, the Cowboys reported to the league approximately \$17.3 million in stadium operations costs. At the time this ranked the Cowboys 2nd in the NFL, i.e., the second-highest stadium operating cost in the league. As newer NFL stadiums have opened, we believe that the Cowboys have gradually floated down the rankings a bit. Therefore, in attempting to estimate 2003 stadium expenses and beyond, we have used a very small inflation trend (1 percent) under the belief that the Cowboys, with a new stadium within sight, are vigorously controlling stadium costs. We estimate 2003 stadium operating expenses of approximately \$17.7 million.

Event Expense Assumptions

Event Expenses are not a material portion of the estimated cash flow statement (and, in fact do not appear in the summary) because they are, for the most part, a pass-through cost that is frequently reimbursed to the venue by the event. In the case of Texas Stadium, we have estimated unreimbursed event expenses for the Cowboys games and added them to the Stadium operating expenses (discussed above). However, event expenses are vital to the calculation of economic and fiscal impact. As shall be discussed later in this report, the key to calculating economic impact is to understand the spending trends that take place by the Cowboys and the stadium corporation. Our model, contained in the Appendix, assumes event expenses of \$3.25 million for stadium operations and another \$8.7 million for the food service and retail businesses in the stadium for 2003.



General & Administrative Assumptions

General & Administrative (G&A) is comprised of general business expenses for the business operations of the organization – separate from stadium administrative and also separate from football administrative (both discussed above). This would include salaries and benefits for staff in the following areas of the organization: marketing; ticket sales; promotions; public relations, merchandising; publications; accounting; new media; information technology; broadcasting; video; etc. We have estimated that the Cowboys carry approximately 70 FTE employees in these functional areas. These positions, together with other general administrative expenses are estimated to be approximately \$32 million for 2003. This figure is allocated 75 percent to administration and business expenses and 25 percent to salaries, benefits, pensions and payroll taxes.

Common (League) Expense Assumptions

The NFL charges “Common Expenses” to each NFL club, which is basically an assessment for the shared expense of the league office, the Management Council, the G-3 stadium fund, etc. The Consultant reviewed historical common expenses reported by the NFL in its Quartile Reports from 1995 to 2003 and also the common expenses paid by the Green Bay Packers from 2000-2003. For 2003, the Consultant estimates that the Cowboys paid approximately \$4.8 million to the NFL in shared common expenses.

Exhibit 18 below is a summary of the estimated financial performance of the Cowboys and Texas Stadium in 2003. A pro forma is included in the Appendix to this report.

Exhibit 18: Estimated Statement of Operations (2003)

	2003
NET REVENUES - ESTIMATED	
Ticket Sales - Net	\$30,947,177
Local TV & Radio - Net	\$9,141,124
Premium Revenue - Net Tickets	\$14,202,175
Concessions & Catering - Net	\$6,214,047
Other Local Revenue	\$17,971,200
Miscellaneous	\$19,045,870
Total Local Revenues	\$97,521,593
Common (League) Revenues	\$87,234,000
Total Net Revenues	\$184,755,593
EXPENSES - ESTIMATED	
Player Costs	\$80,700,000
Team Expenses	\$19,599,632
Stadium Rental/Stadium Debt	\$1,810,843
Stadium Operations	\$17,695,098
General & Administrative	\$31,974,479
Total Local Expenses	\$151,780,052
Common (League) Expenses	\$4,810,000
Total Expenses	\$156,590,052
Subtotal	\$28,165,540
Expansion Fees & Potential Fees	\$2,100,000
OPERATING PROFIT - ESTIMATED	\$30,265,540

Off-Site Assumptions
Patron Out-of-Stadium Spending - Background

A portion of the economic impacts generated by the operation of a NFL stadium come from patron spending that takes place outside of the premises of the stadium itself. Fans going to or coming from events at the stadium may make purchases including gasoline, convenience store purchases, packaged goods, etc. They may make stops at restaurants and drinking establishments and, in smaller numbers, may even stay overnight at local hotels or motels.

Because the Cowboys did not authorize us to collect primary data pertaining to patron spending at a Cowboys game, the Consultant selected a market (Atlanta) that is virtually identical to Dallas in which to collect this information. Below is a comparison of the 90-mile radius around Texas Stadium and around the Georgia Dome, stadium for the Atlanta Falcons:

Exhibit 19: Comparison of Irving vs. Atlanta

	Irving	Atlanta	Index
Population	6,506,883	6,538,070	100
Population Growth 2000-2004	9.86%	9.30%	94
Male/Female ratio	0.99	0.98	99
Average Household Income	\$69,031	\$68,339	99
Median Household Income	\$50,269	\$51,197	102
Per Capita Income	\$25,426	\$25,372	100
Households with children	39.80%	38.75%	97
White collar workers	63.90%	61.41%	96
Composite			102

Source: Claritas; 90-mile radius around Texas Stadium and Georgia Dome

Index: Irving = 100; overall the markets exhibit characteristics within 2% of each other

Patron Out-of-Stadium Spending - Methodology

The Consultant conducted 474 intercept surveys on September 19, 2004 in Atlanta, Georgia at the Atlanta Falcons versus St. Louis Rams regular season National Football League game. The survey questions are found in the Appendix of this Report. The game started at 1:00 pm. A staff of 15 experienced, professional market research interviewers surveyed fans around the Falcons’ stadium, the Georgia Dome, from 10:00 am until 12:30 pm. After kickoff, the same staff surveyed fans inside the stadium from 1:15 pm through the end of halftime (approximately 2:40 pm). In order to achieve a



representative sample of fans, staff were positioned around the entire Georgia Dome before the game including public and private parking lots, the Coca-Cola Football Town located on a plaza outside the stadium, and in other public common areas around the stadium. Fans were intercepted on the stadium concourses during the game and staff was positioned on each concourse. Each staff person was responsible for a specific area on his or her concourse so that the entire stadium was covered. Staff intercepted every 10th fan they passed by in order to randomize the sample. A representative of the Consultant and a senior manager from the professional interviewing firm provided on-site supervision of the surveying staff.

Surveys were recorded on hand-held electronic Palm Pilots to limit surveyor error and data entry error. The Consultant representative conducted a 45-minute briefing with the staff before they conducted any live surveys. The briefing covered all surveying procedures, including location assignments, randomization by intercepting every 10th fan, using the Palm Pilots, and a thorough review of each survey question. After the briefing each interviewer conducted two practice surveys with another interviewer.

Patron Per Capita Expenditures

Based on the findings from the primary study of the Atlanta Falcons, spending per day outside of the stadium by the relevant visitors to Dallas Cowboys games is estimated to be \$38.84.¹⁶ Further, relevant visitors stay an average of 1.20 days, thus creating per

¹⁶ Relevant visitors are those visitors who are not “casual” visitors or “time-switchers”. “Casual” visitors are those persons who live outside of the geographic area (in this case Irving or Dallas County) who were already in town for another reason, but decided to attend the event anyway. “Time-switchers” are those visitors who would have come to town during another nearby time period, but instead opted to attend the event during this time period forgoing coming to town another time.



visitor spending for a Cowboys event of \$46.73.¹⁷ The average distribution of these expenditures is shown in Exhibit 20:

Exhibit 20: Estimated Out-of-Stadium Visitor Spending For Cowboys Games

Transportation	\$8.83
Retail	\$5.90
Lodging	\$5.24
Entertainment	\$5.29
Food & Beverage	\$18.63
Miscellaneous	\$2.83
Total:	\$46.73

Economic Impact Analysis

The operations impact of Texas Stadium and the Dallas Cowboys on the City of Irving and Dallas County is mainly from new spending in the region by visitors, visiting event staff, and the Dallas Cowboys franchise and stadium operational expenditures. Exhibit 21 below shows the current economic impact, in terms of direct, indirect, and total output, of Dallas Cowboys games on the City of Irving and Dallas County.

Exhibit 21: Current Annual Economic Impact of Dallas Cowboys Events (Not Including Franchise Operations)

Economic Impact - Output			
Direct Spending	City	County	Total
Transportation	\$ 745,650	\$ 793,387	\$ 1,539,038
Retail	\$ 498,175	\$ 530,068	\$ 1,028,243
Lodging	\$ 441,972	\$ 470,267	\$ 912,240
Entertainment	\$ 446,805	\$ 475,409	\$ 922,214
Food & Beverage	\$ 1,572,882	\$ 1,673,578	\$ 3,246,460
Miscellaneous	\$ 238,466	\$ 253,733	\$ 492,200
Visiting Teams & Media	\$ 19,331	\$ 20,569	\$ 39,900
Total Direct Spending	\$ 3,963,282	\$ 4,217,012	\$ 8,180,294
Indirect Spending	\$ 2,386,726	\$ 2,617,459	\$ 5,004,184
Total Economic Impact	\$ 6,350,007	\$ 6,834,471	\$ 13,184,478

¹⁷ The slight differential is due to rounding.



Direct spending from relevant visitors to Irving generates nearly \$4.0 million per year (in 2004 dollars) of spending in Irving and an additional \$4.2 million in Dallas County. Indirect spending, utilizing the multipliers creates an additional \$5.0 million in Irving and Dallas County combined. Thus, total economic impact in Irving is approximately \$6.4 million and in Dallas County (excluding Irving), \$6.8 million.¹⁸

The calculations for the six spending categories in Exhibit 21 are based on an estimate of annual attendance at Dallas Cowboys games of 615,620 (see Exhibit 17). After accounting for local residents of Irving and Dallas County, “casual” visitors, and “time-switchers”, the weighted number of relevant visitors is estimated to be 452,100. Residents of Dallas County who do not live in Irving are treated as visitors to Irving, but not Dallas County. An important factor in economic impact analysis is the capture rate of spending within a city and county. Without the benefit of a primary study on this point, secondary analysis was used to estimate the relevant capture rates. The relative population and business activity of the geographic areas along with information from previous studies was used. As Exhibit 22 shows, the population of Irving constitutes less than 4% of the population of the Dallas-Fort Worth Consolidated Metropolitan Statistical Area (CMSA). Further, the business activity of Irving makes up just under 5% of the CMSA’s total business activity.

Exhibit 22: Relationship of Irving and Dallas County to CMSA

	City of Irving	% of CMSA	Dallas County	% of CMSA	MSA	% of CMSA
Population	197,836	3.6%	2,247,816	40.4%	5,565,609	100.0%
Measure of Business Activity (millions of \$) ¹	\$ 32,068	4.7%	\$ 263,195	38.5%	\$ 682,995	100.0%

Source: IMPLAN, U.S. Census Bureau

¹A summary of business activity categories (Transportation, Retail, Lodging, Entertainment, Food & Beverage, Miscellaneous)

¹⁸ As described, the calculations for Dallas County only include the impact on the County excluding Irving.

A 1998 study by Terry L. Clower, Ph.D. and Bernard L. Weinstein, Ph.D. used a capture rate for Irving of 18.7% related to events at Texas Stadium.¹⁹ The current report utilizes this same capture rate for visitors and visiting teams and media. This is a large multiple of a capture rate based simply on population or business activity.

The induced economic impact on earnings and employment is shown in Exhibit 23 below. Residents of Irving receive approximately \$4.5 million per year in earnings from the spending by relevant visitors to Dallas Cowboys games outside of the stadium. The employment impact in Irving is about 138 jobs. The impact on employment is measured in full-time equivalent (FTE) jobs.

**Exhibit 23: Current Annual Induced Economic Impact of Dallas Cowboys Events
 (Not Including Franchise Operations)**

Economic Impact (Induced) - Earnings & Employment			
Type of Impact	City	County	Total
Earnings	\$ 4,480,056	\$ 4,856,119	\$ 9,336,174
Employment	138	138	276

The economic impact of other events at Texas Stadium is shown in Exhibit 24 below. Total economic impact in terms of expenditures is about \$1.9 million for the City of Irving and an additional \$2.0 million for Dallas County. It is estimated that approximately 285,664 people attended concerts, college and high school football, and soccer events at Texas Stadium. Of those, 209,000 are relevant visitors to Irving.

¹⁹ The Hotel Industry, Texas Stadium and Hotel Occupancy Taxes by Terry L. Clower, Ph.D. and Bernard L. Weinstein, Ph.D.



**Exhibit 24: Current Annual Economic Impact of Other Events at Texas Stadium
(Not Including Stadium Operations)**

Economic Impact - Output			
Direct Spending	City	County	Total
Transportation	\$ 220,126	\$ 234,219	\$ 454,345
Retail	\$ 147,068	\$ 156,484	\$ 303,552
Lodging	\$ 130,476	\$ 138,829	\$ 269,306
Entertainment	\$ 131,903	\$ 140,347	\$ 272,250
Food & Beverage	\$ 464,337	\$ 494,063	\$ 958,400
Miscellaneous	\$ 70,399	\$ 74,906	\$ 145,304
Visiting Event Staff & Med	\$ 15,902	\$ 16,920	\$ 32,822
Total Direct Spending	\$ 1,180,211	\$ 1,255,768	\$ 2,435,979
Indirect Spending	\$ 709,648	\$ 778,303	\$ 1,487,951
Total Economic Impact	\$ 1,889,859	\$ 2,034,071	\$ 3,923,930

The per capita expenditures for high school football and concerts are estimated to average \$15.06.²⁰ This estimate is a lower amount than per capita spending in relation to Dallas Cowboys games. The per capita spending for college football and soccer is assumed to be equal to that for Dallas Cowboys games.

The induced economic impact on earnings and employment from other events at Texas Stadium is shown in Exhibit 25 below. Residents of Irving and Dallas County keep \$2.8 million in earnings combined from spending outside of the stadium. The employment impact in Irving and Dallas County is 82 jobs, 41 each in Irving and Dallas County.

**Exhibit 25: Current Annual Induced Economic Impact of Other Events
at Texas Stadium (Not Including Stadium Operations)**

Economic Impact (Induced) - Earnings & Employment			
Type of Impact	City	County	Total
Earnings	\$ 1,331,494	\$ 1,442,717	\$ 2,774,211
Employment	41	41	82

²⁰ This estimate is based on information from the economic impact of concerts during 1999 and updated accordingly.



Above and beyond Dallas Cowboys games and other events at Texas Stadium, the franchise operations of the team and stadium operations provide additional economic impact in the Dallas-Fort Worth area. Exhibit 26 below demonstrates franchise and stadium operations expenditures in Texas Stadium in 2003.

Exhibit 26: Current Team and Stadium Operations Expenditures

Dallas Cowboys Current Franchise & Stadium Operations (in Texas Stadium)					
	Franchise Spending	Within the City	Within the City	Within the County ¹	Within the County ¹
	Total Amount	Percent Spent	Total Amount	Percent Spent	Total Amount
Player Costs	\$80,700,000	5%	\$4,035,000	10%	\$8,070,000
Team Expenses	\$19,599,632	10%	\$1,959,963	15%	\$2,939,945
Stadium Rental/Stadium Debt	\$1,810,843	100%	\$1,810,843	0%	\$0
Stadium Operations	\$17,695,098	15%	\$2,654,265	25%	\$4,423,775
General & Administrative	\$31,974,479	15%	\$4,796,172	15%	\$4,796,172
Common (League) Expenses	\$4,810,000	0%	\$0	0%	\$0
Total	\$156,590,052		\$15,256,243		\$20,229,891

Source: Turnkey Sports, SportsEconomics

¹Results are for Dallas County **excluding** the City of Irving. To get the total spending within the County, including Irving, add spending for the County and the City together.

As discussed above, the business activity of Irving is about 5% of that for the entire Dallas-Fort Worth CMSA. The extent to which operational spending occurs directly within Irving and Dallas County impacts these calculations. The above table shows that about 23%, or \$35.5 million, of franchise and stadium spending occurs within Dallas County (including Irving). The current economic impact on Irving of franchise and stadium operations for Texas Stadium is shown in Exhibit 27 below.

Exhibit 27: Current Annual Economic Impact of Franchise and Stadium Operations

Economic Impact - Output			
Direct Spending	City	County	Total
Total Direct Spending	\$ 15,256,243	\$ 20,229,891	\$ 35,486,134
Indirect Spending	\$ 7,562,214	\$ 10,429,965	\$ 17,992,180
Total Economic Impact	\$ 22,818,457	\$ 30,659,857	\$ 53,478,314



Total economic impact per year from stadium and franchise operations on the City of Irving is approximately \$23 million. There is an additional annual impact on Dallas County of over \$30 million. About \$13 million of the total impact on Irving remains as earnings for Irving residents, as shown in Exhibit 28 below. Moreover, the operations provide approximately 467 FTE jobs both at the stadium and franchise and in the community because of the expenditures in the community.

Exhibit 28: Current Annual Induced Economic Impact of Franchise and Stadium Operations

Economic Impact (Induced) - Earnings & Employment			
Type of Impact	City	County	Total
Earnings	\$ 13,347,611	\$ 17,014,412	\$ 30,362,022
Employment	467	313	780

A summary of the three methods of impact (Cowboys games, other events, and stadium operations) is shown in Exhibit 29 below. Nearly three-fourths of the economic impact on the City of Irving comes from spending (and associated re-spending) by the franchise and stadium operations. This is not unexpected. Our research at the Atlanta Falcons game indicated fans spent nearly 2.5 times as much money inside of the stadium as outside of the stadium. In other words, most of the money spent by a visitor to an NFL game is spent directly on the game in the form of tickets, concessions, parking, merchandise, etc. This is consistent with the findings in this report on team and stadium revenues. Given that most of the revenues generated by the franchise and stadium are spent as part of the operations of running the team and facility, it is not surprising that there is a relatively large impact on the local community directly from franchise expenditures.

**Exhibit 29: Summary of Current Economic Impact
 of Texas Stadium and All Events**

Economic Impact - Output			
Direct Spending	City	County	Total
Dallas Cowboys Events			
Direct	\$ 3,963,282	\$ 4,217,012	\$ 8,180,294
Indirect	\$ 2,386,726	\$ 2,617,459	\$ 5,004,184
Total	\$ 6,350,007	\$ 6,834,471	\$ 13,184,478
Other Events			
Direct	\$ 1,180,211	\$ 1,255,768	\$ 2,435,979
Indirect	\$ 709,648	\$ 778,303	\$ 1,487,951
Total	\$ 1,889,859	\$ 2,034,071	\$ 3,923,930
Franchise Operations			
Direct	\$ 15,256,243	\$ 20,229,891	\$ 35,486,134
Indirect	\$ 7,562,214	\$ 10,429,965	\$ 17,992,180
Total	\$ 22,818,457	\$ 30,659,857	\$ 53,478,314
Total Direct Spending	\$ 20,399,735	\$ 25,702,671	\$ 46,102,407
Total Indirect Spending	\$ 10,658,588	\$ 13,825,727	\$ 24,484,315
Total Economic Impact	\$ 31,058,323	\$ 39,528,399	\$ 70,586,722

In summary, the total direct impact on the City of Irving from all stadium events and operations is just over \$20 million with an additional \$10.7 million in indirect impact annually. The total economic impact on Dallas County is nearly \$40 million per year.

The impact on earnings and employment is shown in Exhibit 30 below. Nearly 650 FTE jobs are supported and \$19 million in earnings from all operations of Texas Stadium in the City of Irving alone.

**Exhibit 30: Summary of Current Induced Economic Impact
 of Texas Stadium and All Events**

Economic Impact (Induced) - Earnings & Employment			
Type of Impact	City	County	Total
Earnings	\$ 19,159,161	\$ 23,313,247	\$ 42,472,408
Employment	646	492	1,138



Fiscal Impact Analysis

Fiscal impact analysis measures the contribution to local government revenue in the form of taxes and fees collected from the existence and operations of the Cowboys and Texas Stadium. Estimates are made for both the City of Irving and Dallas County. Expenditures corresponding to events in Texas Stadium both within the Stadium and around the Stadium and community lead to the following relevant taxes:

Sales Tax: 1.0% going to the City of Irving.

Hotel Occupancy Tax: 7.0% going to the City of the consideration paid by occupant.

Mixed Beverage Tax: 1.5% going to the County, 1.5% going to the City of gross receipts.

Ad Valorem Tax: 0.5479% of real property and Business Personal Property (BPP) value goes to the City, 0.54116% of BPP value goes to the County, and 1.7706% goes to the local school district.

Stadium Rental Fees: 8% of the rental fee for use of Texas Stadium goes to the City of Irving's General Fund, and an additional 4% goes to stadium improvements.

Fiscal impacts are calculated by analyzing the marginal tax rates for each category in relation to direct impacts.²¹ Mixed beverages are estimated to be about 10% of total

²¹ There was no attempt to measure Electric, Gas, Telecom, Health Permits franchise fees, or any other form of government revenue other than those sources listed above.



expenditures on food & beverage outside of the stadium.²² Exhibit 31 summarizes the fiscal impacts of Dallas Cowboys games on both the City of Irving and Dallas County.

**Exhibit 31: Current Annual Fiscal Impact of Dallas Cowboys Events
(Not Including Franchise Operations)**

Net New Incremental Tax Impact			
Tax Category	City	County	Total
Sales and Use	\$ 26,184	\$ -	\$ 26,184
Hotel Occupancy	\$ 30,938	\$ -	\$ 30,938
Mixed Beverage	\$ 2,359	\$ 4,870	\$ 7,229
Sub-total	\$ 59,481	\$ 4,870	\$ 64,351
Indirect Taxation	\$ 35,820	\$ 3,023	\$ 38,843
Total Fiscal Impact	\$ 95,301	\$ 7,892	\$ 103,193

Total fiscal impact of Dallas Cowboys events on the City of Irving is just under \$100,000 annually. Dallas County receives no revenue from sales or hotel occupancy taxes, but is impacted by mixed beverage taxes amounting to approximately \$8,000.

The fiscal impact from the sixteen other events at Texas Stadium generates approximately \$28,281 for Irving and an additional \$1,200 for Dallas County. A summary is shown in Exhibit 32.

**Exhibit 32: Current Annual Fiscal Impact of Other Events at Texas Stadium
(Not Including Franchise Operations)**

Net New Incremental Tax Impact			
Tax Category	City	County	Total
Sales and Use	\$ 7,832	\$ -	\$ 7,832
Hotel Occupancy	\$ 9,133	\$ -	\$ 9,133
Mixed Beverage	\$ 697	\$ 741	\$ 1,438
Sub-total	\$ 17,662	\$ 741	\$ 18,403
Indirect Taxation	\$ 10,620	\$ 459	\$ 11,079
Total Fiscal Impact	\$ 28,281	\$ 1,200	\$ 29,482

²² Based on information from the National Restaurant Association and other economic impact studies in the State of Texas.



The fiscal impact of franchise and stadium operations on the City of Irving and Dallas County is shown in Exhibit 33. Hotel Occupancy tax revenues are generated by the Dallas Cowboys staying at an Irving hotel the night before home games. Visiting teams generally stay outside of Irving. Inside of the stadium, a Sales tax applies to tickets, suite & club seat premiums, food service, parking, and retail. It also applies to some of team and stadium expenditures outside of the facility as part of normal business operations. Mixed Beverage taxes apply to relevant expenditures within Texas Stadium.

Exhibit 33: Current Annual Fiscal Economic Impact of Franchise and Stadium Operations

Net New Incremental Tax Impact			
Tax Category	City	County	Total
Sales and Use	\$ 827,398	\$ -	\$ 827,398
Hotel Occupancy	\$ 7,000	\$ -	\$ 7,000
Mixed Beverage	\$ 40,373	\$ 45,041	\$ 85,414
Ad Valorem ¹	\$ 79,763	\$ 78,781	\$ 158,545
Stadium Rental Fees ²	\$ 1,810,843	\$ -	\$ 1,810,843
Unreimbursed cost to City ³	\$ (78,000)	\$ -	\$ (78,000)
Sub-total	\$ 2,687,377	\$ 123,823	\$ 2,811,200
Indirect Taxation	\$ 113,494	\$ 12,044	\$ 125,538
Total Fiscal Impact	\$ 2,800,871	\$ 135,867	\$ 2,936,738

¹Ad Valorem tax for the City is BPP (0.5479%), and for the County it is BPP (0.54116%). The school district also receives \$257,762.

²Stadium Rental Fees paid to the City.

³Estimate of cost to City for unreimbursed city services pertaining to events.

The Ad Valorem taxes that are applicable to Texas Stadium are real property Business and Personal Property taxes (BPP) paid to the City, the County, and the School District. The use of the stadium generates about \$1.8 million in stadium rental fees. This is the largest portion of the fiscal impact of stadium operations, accounting for over two-thirds of direct fiscal impact. The cost of city services on event days is reimbursed to the City



by Texas Stadium Corporation. The city’s unreimbursed cost is estimated to be less than \$3,000 per event.

A summary of fiscal impacts on the City of Irving and Dallas County from all events and the operations of Texas Stadium is shown in Exhibit 34. The City of Irving receives approximately \$2.9 million in new tax revenue and fees from the operation of Texas Stadium. Dallas County receives an additional \$145 thousand.

Exhibit 34: Summary of Current Fiscal Impact of Texas Stadium and All Events

Net New Incremental Tax Impact			
Tax Category	City	County	Total
Sales and Use	\$ 861,413	\$ -	\$ 861,413
Hotel Occupancy	\$ 47,071	\$ -	\$ 47,071
Mixed Beverage	\$ 43,429	\$ 50,652	\$ 94,081
Ad Valorem ¹	\$ 79,763	\$ 78,781	\$ 158,545
Stadium Rental Fees ²	\$ 1,810,843	\$ -	\$ 1,810,843
Unreimbursed cost to City ³	\$ (78,000)	\$ -	\$ (78,000)
Sub-total	\$ 2,764,520	\$ 129,433	\$ 2,893,953
Indirect Taxation	\$ 159,934	\$ 15,526	\$ 175,460
Total Fiscal Impact	\$ 2,924,454	\$ 144,959	\$ 3,069,413

¹Ad Valorem tax for the City is BPP (0.5479%), and for the County it is BPP (0.54116%). The school district also receives \$257,762.

²Stadium Rental Fees paid to the City.

³Estimate of cost to City for unreimbursed city services pertaining to events.



CONSTRUCTION IMPACTS – ONE TIME





This section of the report describes the assumptions, methods and resulting one-time estimate for the economic and fiscal impacts to the City of Irving and to Dallas County that could potentially be generated during the development of a hypothetical new NFL stadium for the Dallas Cowboys.

Development Assumptions

The Consultant has reviewed publicly available information about the plans that the Cowboys have unveiled for a new NFL stadium in the City of Arlington. Similar plans were also made public by the Cowboys during their discussions with the City of Dallas and Dallas County. The assumptions that follow in this section pertaining to the Cowboys and a hypothetical new stadium are NOT intended to reflect actual development plans. Please note that the Cowboys have not made any information available to the Consultant and, because the Cowboys are a private entity (actually multiple entities), such information is not available from other sources. Therefore, the following assumptions represent the opinion of the Consultant and should not be misconstrued as actual.

It is believed that the Cowboys would like to develop a retractable roof stadium with a total seating capacity of approximately 75,600 seats (including premium seats on the suite levels and on the club seat levels). We have assumed a stadium size and configuration much like Houston's Reliant Stadium with approximately 2 million gross square feet, with one notable exception: we assume that the Cowboys will have 245 suites rather than Reliant Stadium's 175. The reason for this assumption is that the Cowboys currently have more than 380 suites at Texas Stadium and the Cowboys have been a leader in the NFL when it comes to suite marketing. Also, suite revenue and club seat revenue (other than the "ticket portion" of those leases) is not shared with other NFL



teams as part of the road game revenue share. For these reasons, we have assumed that the Cowboys would seek to maximize suite revenue and have a large inventory of suites in the new stadium. If this assumption is incorrect, it will have a material impact on the estimate of their operating profit, but is unlikely to have a material impact on the economic impact figures. As has been explained earlier in this report, the economic impact figures depend, among other things, on Cowboys' spending, not Cowboys' in-stadium revenues.²³

We have further assumed 5,000 club seats, which is fewer than the league average of newer stadiums. The reason for our conservative assumption is that the club seat "product" has become the most difficult to renew in all of professional sports. The Cowboys know this and we feel that they will be conservative on club seats and focus on optimizing suite sales.

In all other respects, we would anticipate, and we have assumed, that the Cowboys new stadium will be very similar to Reliant Stadium. Our development assumptions are for a 36-month design and development timeline commencing on April 1, 2006 and running to April 1, 2009. In order to calculate the costs for building a similar stadium in Irving Texas, we have: (a) moved the costs from Houston to Dallas/Irving; (b) applied a 3 percent escalator for each year from 2000 (when construction on Reliant Stadium began) to 2006; and (c) applied a one-time "spike" in 2004 of five percent to take into account recent rapid increases in the cost of steel, cement, wood, drywall and other materials.

The soft cost estimates do not include the cost of land, infrastructure, financing or other transaction costs. The soft costs reflect estimates from prior projects we have experience with, but are a bit less than other stadium projects we have seen. We believe that the

²³ A substantial reduction in suite lease revenue would, however, have a slight negative impact on the City's portion of the sales tax collected on suite lease revenue.



Cowboys have had ample time to plan for this process and have had a development, architecture and engineering team in place for several years already. While the club is certainly anxious to gain approval and push the project forward, the fact is they have more than enough time to develop this project the “right” way by completing each stage of the design and development process without having to fast track. For these reasons, we feel that the Cowboys are well positioned to manage the project efficiently and will have the time and resources to get excellent deals on all contracts, thereby controlling costs.

It should be noted that the Arlington report showed figures in 2010 dollars even though they also showed the stadium to be in operation by that time. Our cursory review of the Cowboys’ lease with the City of Irving is that the Cowboys may have the right to relocate to a new stadium for the 2009 season. We have not been engaged to examine this issue and express no legal opinion here. The Cowboys have said they intend to be playing in a new stadium by 2009. Further, the City has made clear that the Cowboys will not be permitted to leave Texas Stadium before such time. Therefore, we assume a 36-month timeline commencing on April 1, 2006 and running to April 1, 2009 and show the impacts in 2006-2007 dollars. We can think of no legitimate reason to inflate the development cost figures to the year 2010.

We have included a \$10 million estimate to demolish Texas Stadium and have assumed that the new stadium would be constructed next to the current stadium or across Highway 114 from the existing site. The table below shows the actual “hard costs” to construct Reliant Stadium, together with our estimate of the “soft costs” for the Cowboys project in 2006-2007 dollars.



**Exhibit 35: Summary of Development Costs for a New Stadium in Irving
 (2007 Estimated)**

<i>(thousands)</i>	Reliant Stadium Base Cost	Market To Market Adjustment -1.60%	2006 Construction Start 18.00%	2004 Spike ¹ Adjustment 5.00%	Cost To Construct Reliant Stadium In Irving
HARD COSTS					
Operable roof/enclosure	97,928	(1,567)	17,345	5,685	119,391
Demolition & Site Clearing	278	(4)	49	16	339
Utility Relocation and New Services	1,258	(20)	223	73	1,534
Excavation and Foundation	10,119	(162)	1,792	587	12,337
Structural Frame	71,977	(1,152)	12,749	4,179	87,753
Roofing and Waterproofing	5,513	(88)	976	320	6,721
Exterior Wall	24,709	(395)	4,376	1,435	30,125
Interior Finishes	42,777	(684)	7,577	2,483	52,153
FF&E plug number	3,000	(48)	531	174	3,658
Scoreboard	8,881	(142)	1,573	516	10,828
Playing Field	4,581	(73)	811	266	5,585
Equipment & Specialties	4,517	(72)	800	262	5,507
Food Service Equipment	8,722	(140)	1,545	506	10,634
Seating	7,168	(115)	1,270	416	8,739
Vertical Transportation	4,792	(77)	849	278	5,842
Plumbing	11,221	(180)	1,988	651	13,681
Fire Protection	2,318	(37)	411	135	2,826
HVAC	22,988	(368)	4,072	1,335	28,026
Electrical	23,880	(382)	4,230	1,386	29,114
Audio Visual	8,878	(142)	1,572	515	10,824
Plaza and Site	8,223	(132)	1,456	477	10,025
Direct Costs	373,728	(5,980)	66,195	21,697	455,640
Indirect Costs ²	38,028	(608)	6,736	2,208	46,363
Hard Costs Subtotal	411,756	(6,588)	72,930	23,905	502,003
SOFT COSTS³					
Site Inspection, Testing, etc.			1.00%		5,020
Developer's G&A/Staffing			0.75%		3,765
Insurances			0.25%		1,255
Architecture, Engineering, Specialists			8.00%		40,160
Tenant Improvements and Owner's FF&E			2.00%		10,040
Design Contingency			1.00%		5,020
Soft Costs Estimate			13.00%		65,260
DEMOLITION OF TEXAS STADIUM					10,000
Estimated Cost of New Cowboys Stadium on Irving Site⁴					\$577,263

¹ 2004 "Spike" accounts for recent rapid cost increases in steel, cement, wood, drywall, etc.

² Indirect Costs include general conditions, insurances, P&P bonds, contingencies and contractor fees

³ Soft Costs are estimated from the adjusted Reliant Stadium Hard Costs

⁴ The estimate does not include the cost of land, financing or other transactional costs

Note: If inflated to 2010, this cost figure would be: \$612,418,405



Economic Impact Analysis

The economic impact from the construction of a sports facility is based on the amount of new money that comes into the community that would not have otherwise entered the community. In general, if a city government spends money to construct a building, the net economic impact generated must be measured in terms of the alternative uses of the same funding, i.e., the opportunity cost. Would other uses have a higher or lower economic impact? Typically, each dollar of government money that is spent is not considered to generate economic impact for a specific project because it could also be spent on another project. However, once it is spent, it is gone, and the other project (and its associated economic impact) is also gone. This is similar to the reason why spending by local residents is not generally considered to add to economic impact. If a resident spends money at a football game, then he/she won't spend that same money at the movies or other local entertainment. Thus, the gross impact generated by the football game will be canceled out by the loss of foregone impact at the movies.

In the analysis that follows, local government financing is not considered to have economic impact on the particular locality that is spending it. However, if outside money is spent for construction, either from another government or a private business or person(s), then it will have economic impact (assuming it would not have been spent otherwise in the local city).

Exhibit 36 below shows the total construction costs for a new stadium and the distribution of the expenses across labor & equipment, and materials. Roughly two-thirds of construction costs of \$577 million are spent on materials. The total amount spent within the City of Irving is about \$25 million, and nearly \$139 million in Dallas County (excluding Irving). The remainder is spent elsewhere in the Dallas-Fort Worth CMSA or beyond.

**Exhibit 36: Summary and Distribution of Construction Expenditures
 (2006-2007 dollars)**

	Labor vs. Materials	Project Costs	% Spent Within Irving	Amount Spent Within Irving	% Spent Within County	Amount Spent Within County
Labor & Equipment	35.0%	\$202,042,050	3.6%	\$7,181,818	27.6%	\$55,813,590
Materials	65.0%	\$375,220,950	4.7%	\$17,617,253	22.0%	\$82,534,205
Total		\$577,263,000		\$24,799,071		\$138,347,795

Source: Turnkey Sports LLC, U.S. Census Bureau, IMPLAN
¹Results are for Dallas County excluding the City of Irving.

As discussed above, the economic impact of a new stadium in Irving is based on the amount of money spent within Irving, as shown in the table above, and the source of that money. It is assumed that financing for a new stadium would be 50% paid for by the City and 50% paid for by private sources. Therefore, the gross economic impact of the construction of a new stadium during the construction period is approximately \$44 million to the City of Irving and \$247 million to Dallas County (excluding Irving). The results are shown in Exhibit 37 below.

Exhibit 37: Total Net Output, Earnings, and Employment Economic Impact During the Construction Period

Total Direct Spending		➔	Total Output		
			Earnings	Employment	
Within City of Irving	\$24,799,071		\$43,761,531	\$36,045,410	621
Within Dallas County	\$138,347,795	\$246,908,204	\$199,201,094	3,372	

Note: Gross economic impact does not account for the costs of construction borne by the City.

Net economic impact accounts for the sources of funding. As shown in Exhibit 38 below, the City loses \$264 million during the construction period. The reason is that it costs the City nearly \$289 million in direct funding to build the stadium, but the City only receives \$25 million in direct spending during the construction period. Thus, the loss is \$264 million in direct funding. The cause is that 100% of the \$289 million comes from

the City, but only about 8.7% is captured within the City. It is important to note that if the alternative use of this \$289 million dollars would also result in only 8.7% “sticking” in the community, then the comparison economic impact would be \$0. However, if 100% of the \$289 million spent by the Irving city government on some alternative project were to be spent directly in Irving, then a comparison economic impact would be as stated above, a loss of \$264 million. In general, it is true that the cost of a construction project does not pay for itself during the construction period. The key issue is whether it pays for itself over the life of the facility and whether the economic impact outweighs some other use of the funds.

Exhibit 38: Total NET Output, Earnings, and Employment Economic Impact During the Construction Period

Total Direct Spending		➔	Total Output	Earnings	Employment
Within City of Irving	-\$263,832,429		-\$465,570,314	-\$383,480,025	-6,607
Within Dallas County	\$138,347,795	\$246,908,204	\$199,201,094	3,372	

Note: NET economic impact is net of other uses of City funding (i.e., the city could use its funding to build something else).

It is assumed that the City and private business would each pay for 50% of construction costs.

Dallas County receives the full impact of construction dollars spent in the County because it is not assumed to be involved in the financing of the project. The estimate of the cost of construction does not include the value of the land. The land is estimated to be worth nearly \$16 million.²⁴ By building a new stadium on the land, the City forgoes the opportunity to use the land for other purposes or sell the land. The impact of the land value is not included in the above tables.

²⁴ Source: Dallas Central Appraisal District.



NEW STADIUM IMPACTS – ANNUAL



This section of the report describes the assumptions, methods and resulting annual estimates for the economic and fiscal impacts to the City and the County that could be generated by the Dallas Cowboys and by the annual ongoing operations of a new, hypothetical stadium.

On-Site Assumptions

This section assumes that a new, hypothetical stadium would be open for business commencing in April 2009 and that the Cowboys would play their full 2009 season and beyond there. Clearly, it is extremely difficult to project out from present day to the years 2009, 2010, and beyond. The NFL executives we spoke with say that the normal planning cycle for a NFL club is two or three years out and that it becomes almost impossible to predict beyond that. In the case of the NFL, the league is already in discussions for a new Collective Bargaining Agreement (“CBA”) with the NFLPA and the players are looking for more income. This line item currently represents approximately 52% of the Cowboys’ total expenses. There is no way to predict the outcome of this critical piece of the puzzle – a piece that will have a material impact on the estimates in this report for 2005, 2006, 2007, 2008, 2009 and 2010. Moreover, the league is also preparing to negotiate a new national television contract that will go into effect in 2006. This line item currently accounts for 47% of the Cowboys’ overall revenue. The outcome of that series of negotiations will have a material impact on the estimates in this report for 2006, 2007, 2008, 2009 and 2010. Furthermore, there will be numerous international, national, regional and local economic, social and political factors that will come into play in the next six years and there may very well be major intervening events that will almost certainly have a material effect on the estimates proposed in this report.



The assumptions that follow pertaining to the Cowboys and a hypothetical new stadium should serve as no more than a proposed rough estimate of the 2009 and 2010 financial performance for the Cowboys and the stadium. Please note that the Cowboys have not made any financial or other information available to the Consultant and, because the Cowboys are a private entity (actually multiple entities), such information is not available from other sources. Therefore, the following assumptions represent the pure opinion of the Consultant and should not be misconstrued as an actual financial projection.

Event & Attendance Assumptions

The consultant has reviewed recent event reports from comparable enclosed NFL stadiums (except for Texas Stadium for which event reports have not been made available to us). This report assumes a total of 38 publicly ticketed events (up from 26 in the 2003 estimate) at a new, hypothetical stadium in a typical or “average” year. Exhibit 39 below summarizes the event and attendance assumptions used for 2009 and 2010.

Exhibit 39: 2009 Event and Attendance Assumptions

	Annual Events	Average Paid Tickets	Average Comp Tickets	Average No Shows	Total Attendance (Annual)
Pre-Season NFL	2	64,992	651	3,283	124,720
Reg-Season NFL	8	72,030	363	1,448	567,560
Post-Season NFL	0	72,138	0	0	0
College Football	2	50,000	2,500	5,250	94,500
HS Football	12	10,000	500	1,050	113,400
Soccer	2	40,000	2,000	4,200	75,600
Concerts	4	40,000	1,200	1,236	159,856
Festivals	3	25,000	50	752	72,894
Motor Sports	2	40,000	1,200	1,236	79,928
Other Events	3	25,000	750	773	74,931
ANNUAL TOTALS	38				1,363,389



Ticket Sales & Rental Income Assumptions

This report assumes approximately 64,992 paid tickets and 62,360 in turnstile attendance for two pre-season games. For regular-season games, the report assumes approximately 72,030 in paid tickets and 70,945 in turnstile attendance for eight games. We have applied a detailed model to estimate the number of tickets sold in season packages, in advance individually and at the gate individually to reach these figures. After adjusting for sales tax, service charges and credit card expenses, we estimate that the Cowboys could potentially earn approximately \$55.8 million in net ticket sales in 2009 and \$57.5 million in 2010. The 2009 figure represents a 35 percent increase over 2008, but this is common for clubs moving into new stadiums. Moreover, it is slightly less than the Cowboys themselves estimate, according to the Arlington report.

Rental income to the new stadium is estimated using industry standards for percentage rental deals. We have assumed that the Cowboys will not pay themselves “rent” for their own home games.²⁵ For college football, high school football, soccer, and other events we have assumed straight percentage rent deals ranging from 5 percent to 20 percent. In total we estimate approximately \$3.3 million in rental income and \$8.1 million in total (excluding food & retail) event expenses for the stadium - \$5.6 million of that amount being reimbursed.

Local TV & Radio Assumptions

The Consultant has reviewed historical financial information for the Cowboys and the other 31 NFL clubs dating back to 1995. The Consultant has calculated an average CAGR for that period (8.5 percent) and utilized that same CAGR to estimate 2003

²⁵ Again, for clarification, we have assumed that the Cowboys will pay “rent” to the City of Irving in the amount of \$3 million annually. This appears to be the number that the Cowboys have agreed to pay to the City of Arlington and so we have simply used that same figure here for analysis purposes. This is discussed in a separate section below.



income for local broadcasting income and shoulder programming. We have carried that same CAGR forward to 2009 and added a slight bump in the growth rate leading into the new stadium. This report estimates that the Cowboys could earn approximately \$15.2 million in 2009 and \$16.4 million for 2010 for local TV and radio revenue, net of direct production costs.

Premium Revenue Assumptions

The Consultant has reviewed historical information for the Cowboys and the other 31 NFL clubs for “Premium Revenue” dating back to 1995. We have also reviewed the Cowboys current premium seat inventory at Texas Stadium and their current price scales for such inventory. Additionally, we have reviewed the premium seat revenue at other, newer NFL stadiums including Houston, Philadelphia, New England, Chicago, Green Bay and others. This report estimates that the Cowboys could earn approximately \$30.2 million in 2009 and \$31.1 million in 2010 from premium seating at the new stadium. This figure is net of sales tax and is strictly for the “premium” portion of 245 suites and 5,000 club seats, i.e., it does not include the “ticket” portion of the suites and club seats, which was included in the ticket sales figures discussed above.

Food Service & Retail Assumptions

The Consultant maintains a database of industry information pertaining to the concessions and catering operations at stadiums and arenas around the United States. The Consultant has also reviewed game-day reports and other reports from other NFL stadiums and interviewed concessionaires from other NFL stadiums in order to estimate the food service revenues and expenses at a hypothetical stadium. Our model takes the 2003 estimate and grows it at a 5 percent CAGR to 2008 with a 30 percent increase in the first year of operation of the new stadium yielding an overall blended per cap for food

and retail of \$37.95. This figure is slightly less than the \$40 figure used in the Arlington report. After deducting sales and mixed beverage taxes as well as estimated costs for cost of goods sold, labor, and management fees, we estimate that the Cowboys could earn approximately \$10.3 million in 2009 and \$10.8 million in 2010 from net food service income and approximately \$900,000 in 2009 in net stadium retail.

Other Local & Miscellaneous Revenue Assumptions

The NFL reports two separate line items called “Other Local Revenue” and “Miscellaneous Revenue.” The Consultant has reviewed historical information for the Cowboys and the other 31 NFL clubs for these categories and compared it to information gleaned from interviews with several other NFL clubs. The Consultant has also reviewed summary financials for the Green Bay Packers, a public company.

For Other Local Revenues from 2003 to 2009, we applied a series of escalators for the first five years based on historical growth and then applied a 20 percent increase in the first year of the new stadium. In addition, we assumed a naming rights deal to yield \$12 million annually for the name of the new stadium starting in 2009. This \$12 million figure is, admittedly, more than any other stadium (Reliant Stadium receives approximately \$10 million annually) but we believe that it is a realistic estimate of what the Dallas Cowboys may be able to command on the open market. As such, this report assumes other local revenue to be approximately \$42.2 million in 2009 and \$46.5 million in 2010.

This report further estimates Miscellaneous Revenues to be approximately \$41.2 million in 2009 and \$43.3 million in 2010, made up of the following revenue streams: offsite retail sales; parking revenues; promotional licensing (i.e., licensing companies with the right to use the Cowboys’ intellectual property in the marketplace); reimbursed event

expenses; stadium retail sales; stadium rental income (discussed earlier); and TicketMaster rebates.

Common (League) Revenue Assumptions

The NFL distributes “Common Revenue” to each NFL club, which is the shared revenue derived from numerous sources, but primarily four categories: (1) national television revenue from the over-the-air networks, ESPN, DIRECTV, etc.; (2) national radio revenue from CBS Radio, Westwood One and Foreign Language Radio; (3) international television distribution; and (4) sponsorship, promotional licensing, product licensing and distribution deals crafted by NFL Properties, NFL Enterprises and NFL Films. The Consultant reviewed historical common revenues reported by the NFL from 1995 thru 2003 and also the common revenues received by the Green Bay Packers from 2000-2003. As stated previously, we have estimated that the Cowboys received approximately \$87.2 million from the NFL in 2003 in shared “Common” revenue.²⁶ Extrapolating this line item out to 2009 and 2010 is extremely difficult because the NFL will be entering into a new national television deal within the next year or so and significant increases are expected. The Consultant reviewed estimates made by the Kagan Companies, publishers of the *Sports Media Business*, the leading analytical tool for sports media revenues. The Kagan Companies are estimating that the NFL will be able to double the average annual TV distribution per club during the next deal to an average of \$100.6 million per club commencing in 2006. Starting in 2006, we have used a 4 percent CAGR for common revenues. By 2009, therefore, the Consultant estimates that the Cowboys could be receiving approximately \$122.6 million from the NFL in total shared common revenue.

²⁶ There are times when certain clubs and analysts show Visiting Team Share (“VTS”) of net ticket sales as part of “Common Revenue.” However, technically, VTS is a separate revenue sharing structure from Common Revenues and we therefore have included VTS within the ticket sales estimates.

Player Cost Assumptions

Moving over to the expense side of the ledger, the Consultant has reviewed player cost information from the Cowboys, the NFL and the NFL Players Association in order to estimate 2003 player costs. Between 1995 and 1999, we estimate that the effective CAGR for the Cowboys was 11.54 percent. Between 2000 and 2003, we estimate that the effective CAGR for the Cowboys was 15.65 percent. Overall, from 1995 thru 2003 the Cowboys' player salaries grew at 13.37 percent CAGR – and that includes a drop of more than 30 percent in 2001. However, the NFL Quartile Reports indicate that the top quartile NFL clubs were growing player salaries at a much slower clip, approximately 8 percent CAGR. We estimate 2003 player costs in the range of \$80.7 million and have used a 9 percent CAGR going forward. Our reasoning in selecting 9 percent is two-fold: first, the current coaching staff has a track record in getting more out of less; and second, until the new stadium opens, the Cowboys cannot “afford” to grow player costs at a higher clip and still be able to maintain their recent levels of operating profit. We estimate 2009 player costs at approximately \$135.3 million and 2010 player costs at approximately \$147.5 million.

Team Expense Assumptions

“Team Expenses” is better thought of as football operations. These are the costs to run the football side of the organization and actually put a football team on the field. The Consultant has reviewed team expenses reported by the Cowboys dating back to 1995 as well as similar reports for the other 31 NFL clubs. Our model assumes 70 FTE employees for the Cowboys within the team expense line item working in the following areas: front office staff; coaching staff; football operations; player personnel; player development; college scouting; pro scouting; medical staff; training staff; etc. Additional team expenses would include: audio-visual; automotive expense; uniforms; computer equipment; insurance; professional fees; meals; medical; office supplies;



training camp; training equipment & supplies; travel; etc. This line item appears to have been growing at an approximately 10-12 percent clip. Our 2003 estimate (\$19.6 million) would place the Cowboys in the lower half of the top quartile for this line item – which is where we assume they are given our current information. We have stuck with this same CAGR to extend thru to 2009 and estimate Team Expenses in the range of approximately \$34.7 million in 2009 and \$38.2 million in 2010.

Stadium Rental / Stadium Debt Assumptions

The City of Irving has not had discussions with the Cowboys due to the Cowboys exclusive deal with the City of Arlington. Therefore, the assumptions made by this report are for analysis purposes only and do not reflect any particular deal being considered or evaluated by the City of Irving.

The model included in the Appendix assumes that the Cowboys would be responsible for funding half of the approximately \$578 million in development costs (\$289 million). From this obligation, we have assumed that the Cowboys would apply approximately \$126 million in one-time PSL revenues to their portion of the stadium development costs. This \$126 million PSL figure is, admittedly, higher than other NFL clubs, but we believe that the Dallas Cowboys are a unique property in a unique position to achieve this figure and may eclipse it. In this scenario, the City of Irving would then be responsible for funding the other half, plus land and infrastructure. Added to the Cowboys commitment would be an obligation to pay \$3 million annually to various sources as has been agreed to in their deal with the City of Arlington. As such, in 2009 and beyond, we estimate that the Cowboys would be obligated to pay approximately \$19.3 million in total rent and debt obligations (\$3 million in stadium rent and \$16.3 million in debt service) and we have held this amount flat for 2010.

Stadium Operations Assumptions

Stadium operations expenses include numerous line items and can be grouped into four main categories: (1) salaries and benefits for management (this does not include event expenses which are discussed below); (2) general administrative expenses for the stadium operations company (including unreimbursed events expenses); (3) repairs and maintenance costs; and (4) utilities including electric, gas, water and telephone).

In 1999, the Cowboys reported to the league approximately \$17.3 million in stadium operations costs. At the time this ranked the Cowboys 2nd in the NFL, i.e., the second-highest stadium operating cost in the league. To calculate the 2003 stadium expenses and beyond to 2008, we previously stated that we used a very small inflation trend under the belief that the Cowboys would rigorously contain costs in Texas Stadium now that they are moving out. Then, moving into this new, hypothetical stadium in 2009, we added a 15 percent increase in stadium operating expenses to account for increased utilities and a more complex building, yielding approximately \$21 million in operating costs for 2009. We have held this figure flat for 2010 under the assumption that all furniture, fixtures, equipment, systems and structures in the new stadium will be under warranty and running smoothly. We feel that with one year of experience in the new stadium, operating expenses may actually decline slightly in year two.

Event Expense Assumptions

As was stated previously, Event Expenses are not a material portion of the estimated pro forma because they are a pass through and are, for the most part, reimbursed by the event. In the case of a new, hypothetical stadium, we have estimated unreimbursed event expenses for the Cowboys games and added them to the Stadium operating expenses (discussed above). However, event expenses are vital to the calculation of economic and fiscal impact. The key to calculating economic impact is to understand the spending



trends that take place by the Cowboys and the stadium corporation. Our model, contained in the Appendix, assumes event expenses of \$8.1 million for stadium operations and another \$14.5 million for the food service and retail businesses in the stadium.

G&A and Marketing Assumptions

General Administrative (G&A) is comprised of general business expenses for the business operations of the organization – separate from stadium administrative and separate from football administrative (both discussed above). This would include salaries and benefits for staff in the following areas of the organization: marketing; ticket sales; promotions; public relations, merchandising; publications; accounting; new media; information technology; broadcasting; video; etc. We have estimated that the Cowboys carry approximately 70 FTE employees in these functional areas and have used a 7 percent CAGR to estimate thru 2009 and 2010. This growth trend yield an estimate of \$48 million in 2009 and \$51.3 million in 2010 for general administrative expenses.

Common (League) Expense Assumptions

The NFL charges “Common Expenses” to each NFL club, which is basically an assessment for the shared expense of the league office, the Management Council, the G-3 stadium fund, etc. The Consultant reviewed historical common expenses reported by the NFL in its Quartile Reports from 1995 to 2003 and also the common expenses paid by the Green Bay Packers from 2000-2003. As stated previously, for 2003, the Consultant estimates that the Cowboys paid approximately \$4.8 million to the NFL in shared common expenses. We have analyzed the growth rates for the common expenses between 1995 and 2003 and have used a 7.68 percent CAGR to grow this line item from 2004 thru 2010 to yield \$7.5 million in 2009 and \$8.1 million in 2010.



Exhibit 40 below is a summary of the estimated financial performance of the Cowboys in 2009 and 2010, their first two years in a hypothetical new stadium that could be built near the existing stadium. We have added after-tax expansion fees under the assumption that by this point the NFL will have awarded an expansion franchise to the Los Angeles market and that each NFL club will participate in a share of those expansion fees over the course of four years. A full pro forma is included in the appendix to this report.

Exhibit 40: Estimated Statement of Operations (2009 and 2010)

	2009	2010
NET REVENUES - ESTIMATED		
Ticket Sales - Net	\$55,835,224	\$57,510,281
Local TV & Radio - Net	\$15,119,623	\$16,404,791
Premium Revenue - Net Tickets	\$30,209,592	\$31,115,879
Concessions & Catering - Net	\$10,310,137	\$10,825,643
Other Local Revenue	\$42,241,497	\$46,465,647
Miscellaneous	\$41,283,997	\$43,348,197
Total Local Revenues	\$195,000,070	\$205,670,438
Common (League) Revenues	\$122,593,640	\$127,497,386
Total Net Revenues	\$317,593,710	\$333,167,824
EXPENSES - ESTIMATED		
Player Costs	\$135,341,979	\$147,522,757
Team Expenses	\$34,721,944	\$38,194,139
Stadium Rental/Stadium Debt	\$19,300,000	\$19,300,000
Stadium Operations	\$20,965,969	\$20,965,969
General & Administrative	\$47,985,070	\$51,344,025
Total Local Expenses	\$258,314,963	\$277,326,891
Common (League) Expenses	\$7,499,199	\$8,075,322
Total Expenses	\$265,814,162	\$285,402,212
Subtotal	\$51,779,548	\$47,765,612
Expansion Fees & Potential Fees	\$4,218,750	\$4,218,750
OPERATING PROFIT - ESTIMATED	\$55,998,298	\$51,984,362

Off-Site Assumptions

The growth rate of expenditures per person outside of the stadium at restaurants, bars, retail, etc. is assumed to be 3.5% based on forecasted rates of inflation over the relevant time period. Therefore, the per capita spending associated with Dallas Cowboys games outside of the venue rises from \$46.73 to \$57.44. Likewise, concert spending increases from \$15.06 to \$18.52 per capita. Media and event staff expenditures are also assumed to increase at a 3.5% rate. The number of attendees to Texas Stadium increases from 901,284 to 1,363,389 because the new stadium has more events and more seats.

It is assumed that the percentage of attendees who are local residents, “casual” visitors, and “time-switchers” remains as it is in 2003-04. Capture rates for visitor and franchise and stadium operations expenditures are also assumed to remain the same as in 2003-04. Although, the forecasted population growth rates for Irving, Dallas County, and DFW CMSA are such that it is likely that the capture rates will shrink for Irving and Dallas County. In other words, Irving is forecasted to grow more slowly than Dallas County, which is forecasted to grow more slowly than the CMSA. It is also assumed that the multipliers will be the same in 2010 as in 2003-04. City and County tax rates and assessments are assumed to be the same in 2010 as in 2003-04.

Economic Impact Analysis

The economic impact of a new stadium in Irving, Texas on the City of Irving and Dallas County is analyzed. Direct, indirect, and induced impacts are measured. The number of attendees to events at the new stadium is 50% greater than for Texas Stadium in 2003-04. Further, the expected franchise and stadium operational spending is estimated to increase by approximately 82%. These are the primary drivers for increased economic impact on the local community. As shown in Exhibit 41, visitors, visiting teams, and media create



almost \$5.5 million in direct spending in Irving for ten Dallas Cowboys games. This spending generates an additional \$3.3 million in indirect spending throughout the community leading to a total economic impact of \$8.8 million for the City of Irving.

Exhibit 41: Annual Economic Impact of Dallas Cowboys Events in 2010 in New Stadium (Not Including Franchise Operations)

Economic Impact - Output			
Direct Spending	City	County	Total
Transportation	\$ 1,030,734	\$ 1,096,721	\$ 2,127,455
Retail	\$ 688,641	\$ 732,728	\$ 1,421,370
Lodging	\$ 610,951	\$ 650,064	\$ 1,261,015
Entertainment	\$ 617,630	\$ 657,171	\$ 1,274,802
Food & Beverage	\$ 2,174,239	\$ 2,313,434	\$ 4,487,673
Miscellaneous	\$ 329,639	\$ 350,742	\$ 680,381
Visiting Teams & Media	\$ 23,763	\$ 25,284	\$ 49,047
Total Direct Spending	\$ 5,475,597	\$ 5,826,146	\$ 11,301,743
Indirect Spending	\$ 3,297,771	\$ 3,616,564	\$ 6,914,335
Total Economic Impact	\$ 8,773,368	\$ 9,442,710	\$ 18,216,078

The earnings and employment generated from the direct and indirect spending amounts to \$6.2 million and 190 FTE jobs, respectively, for the City of Irving. The summary is shown in Exhibit 42 below. The impact on the County is about the same as on Irving. The reason for this is that the multipliers for the City and County are similar to each other.

Exhibit 42: Annual Induced Economic Impact of Dallas Cowboys Events in 2010 in New Stadium (Not Including Franchise Operations)

Economic Impact (Induced) - Earnings & Employment			
Type of Impact	City	County	Total
Earnings	\$ 6,190,318	\$ 6,710,101	\$ 12,900,420
Employment	190	191	381



The annual economic impact of other events in Texas Stadium is shown in Exhibit 43 below. There were 16 other events included in the economic impact measurement in Texas Stadium in 2003-04. It is assumed that there will be 28 other events at a new stadium. As shown, the City will receive nearly \$4.5 million in new spending because of these events. Also, the events will generate an additional \$4.8 million in Dallas County.

**Exhibit 43: Annual Economic Impact of Other Events in 2010 in New Stadium
 (Not Including Franchise Operations)**

Economic Impact - Output			
Direct Spending	City	County	Total
Transportation	\$ 520,705	\$ 554,040	\$ 1,074,745
Retail	\$ 347,887	\$ 370,159	\$ 718,046
Lodging	\$ 308,639	\$ 328,399	\$ 637,038
Entertainment	\$ 312,014	\$ 331,989	\$ 644,003
Food & Beverage	\$ 1,098,380	\$ 1,168,698	\$ 2,267,078
Miscellaneous	\$ 166,527	\$ 177,188	\$ 343,714
Visiting Staff & Media	\$ 29,010	\$ 30,868	\$ 59,878
Total Direct Spending	\$ 2,783,162	\$ 2,961,340	\$ 5,744,502
Indirect Spending	\$ 1,674,394	\$ 1,836,341	\$ 3,510,734
Total Economic Impact	\$ 4,457,555	\$ 4,797,681	\$ 9,255,236

Exhibit 44 shows the number of FTE jobs supported in the City and County and the personal earnings generated from non-Cowboys events at a new stadium in Irving, Texas. The City will see just shy of 100 jobs and over \$3 million in income on an annual basis.

**Exhibit 44: Annual Induced Economic Impact of Other Events
 in 2010 in New Stadium (Not Including Franchise Operations)**

Economic Impact (Induced) - Earnings & Employment			
Type of Impact	City	County	Total
Earnings	\$ 3,142,096	\$ 3,405,020	\$ 6,547,116
Employment	96	97	193



The impact of the Dallas Cowboys franchise operations and new stadium operations on the local community is based on the budget for the team and stadium and in what geographic areas the money is spent. Exhibit 45 summarizes franchise and stadium spending and estimates where the spending would take place. The City of Irving would receive about \$25 million in team and stadium direct spending on an annual basis. Dallas County would receive an additional \$33 million in direct spending.

Exhibit 45: 2010 Team and Stadium Operations Expenditures

Dallas Cowboys Franchise & Stadium Operations in 2010 in New Stadium					
	Franchise Spending	Within the City	Within the City	Within the County ¹	Within the County ¹
	Total Amount	Percent Spent	Total Amount	Percent Spent	Total Amount
Player Costs	\$147,522,757	5%	\$7,376,138	10%	\$14,752,276
Team Expenses	\$38,194,139	10%	\$3,819,414	15%	\$5,729,121
Stadium Rental/Stadium Debt	\$19,300,000	16%	\$3,000,000	0%	\$0
Stadium Operations	\$20,965,969	15%	\$3,144,895	25%	\$5,241,492
General & Administrative	\$51,344,025	15%	\$7,701,604	15%	\$7,701,604
Common (League) Expenses	\$8,075,322	0%	\$0	0%	\$0
Total	\$285,402,212		\$25,042,051		\$33,424,493

Source: Turnkey Sports, SportsEconomics

¹Results are for Dallas County **excluding** the City of Irving. To get the total spending within the County, including Irving, add spending for the County and the City together.

Direct spending leads to indirect and induced impacts. Exhibit 46 below shows that the combined direct spending by the franchise of \$58.5 million in Irving and elsewhere in Dallas County generates additional spending, jobs, and personal income. The City will see an additional \$12 million in indirect spending with the County realizing approximately \$17 million in re-spending.



**Exhibit 46: Annual Economic Impact of Franchise & Stadium Operations
 in 2010 in New Stadium**

Economic Impact - Output			
Direct Spending	City	County	Total
Total Direct Spending	\$ 25,042,051	\$ 33,424,493	\$ 58,466,544
Indirect Spending	\$ 12,412,844	\$ 17,232,733	\$ 29,645,576
Total Economic Impact	\$ 37,454,895	\$ 50,657,225	\$ 88,112,120

The economic impact of all events in a new stadium in Irving in 2010 is summarized in Exhibit 47 below. The City of Irving, if a new stadium were built, would see an annual economic impact of approximately \$51 million, with nearly 74% coming from stadium and franchise operations. Thus, the economic impact of a new stadium on the City is highly dependent on the budget of the franchise and stadium, and on where the budget is spent.

Exhibit 47: Summary of Economic Impact of New Stadium and All Events in 2010

Economic Impact - Output			
	City	County	Total
Dallas Cowboys Events			
Direct	\$ 5,475,597	\$ 5,826,146	\$ 11,301,743
Indirect	\$ 3,297,771	\$ 3,616,564	\$ 6,914,335
Total	\$ 8,773,368	\$ 9,442,710	\$ 18,216,078
Other Events			
Direct	\$ 2,783,162	\$ 2,961,340	\$ 5,744,502
Indirect	\$ 1,674,394	\$ 1,836,341	\$ 3,510,734
Total	\$ 4,457,555	\$ 4,797,681	\$ 9,255,236
Franchise Operations			
Direct	\$ 25,042,051	\$ 33,424,493	\$ 58,466,544
Indirect	\$ 12,412,844	\$ 17,232,733	\$ 29,645,576
Total	\$ 37,454,895	\$ 50,657,225	\$ 88,112,120
Total Direct Spending	\$ 33,300,810	\$ 42,211,979	\$ 75,512,788
Total Indirect Spending	\$ 17,385,009	\$ 22,685,637	\$ 40,070,646
Total Economic Impact	\$ 50,685,818	\$ 64,897,616	\$ 115,583,434



This spending leads to earnings and employment impacts as shown in Exhibit 48. Over 900 FTE jobs and \$31 million in personal earnings will be created annually for the City of Irving from all of the events and stadium operations in a new stadium in Irving.

Exhibit 48: Summary of Induced Economic Impact of New Stadium and All Events in 2010

Economic Impact (Induced) - Earnings & Employment			
Type of Impact	City	County	Total
Earnings	\$ 31,241,580	\$ 38,226,892	\$ 69,468,473
Employment	903	804	1,707

For comparison purposes, an estimate of the entire economic impact of Texas Stadium in 2010 was undertaken. This helps link the current economic impact of Texas Stadium in 2003-04 with the economic impact of a new stadium designed to open in 2009 (but measured for 2010 for comparison). It also allows for comparison to the Arlington study's measurements of economic impact in 2010.



Exhibit 49: Summary of Economic Impact of Texas Stadium and All Events in 2010

Economic Impact - Output			
	City	County	Total
Dallas Cowboys Events			
Direct	\$ 4,871,885	\$ 5,183,784	\$ 10,055,670
Indirect	\$ 2,933,895	\$ 3,217,525	\$ 6,151,420
Total	\$ 7,805,780	\$ 8,401,310	\$ 16,207,090
Other Events			
Direct	\$ 1,450,780	\$ 1,543,660	\$ 2,994,440
Indirect	\$ 872,339	\$ 956,733	\$ 1,829,072
Total	\$ 2,323,119	\$ 2,500,393	\$ 4,823,512
Franchise Operations			
Direct	\$ 23,442,690	\$ 32,740,820	\$ 56,183,510
Indirect	\$ 11,620,073	\$ 16,880,250	\$ 28,500,323
Total	\$ 35,062,763	\$ 49,621,070	\$ 84,683,833
Total Direct Spending	\$ 29,765,356	\$ 39,468,264	\$ 69,233,620
Total Indirect Spending	\$ 15,426,306	\$ 21,054,508	\$ 36,480,815
Total Economic Impact	\$ 45,191,662	\$ 60,522,772	\$ 105,714,434

As shown in Exhibit 49 above, the economic impact of Texas Stadium in 2010 on the City of Irving would be about \$45 million, most of which comes from franchise and stadium operational spending. The induced economic impact is shown in Exhibit 50 below. The City and County will keep \$28 million and \$35 million in personal earnings, respectively, from the above total spending. Additionally, over 1,500 FTE jobs will be supported on an annual basis from the operations at the existing Texas Stadium, 800 of which in the City of Irving.

Exhibit 50: Summary of Induced Economic Impact of Texas Stadium and All Events in 2010

Economic Impact (Induced) - Earnings & Employment			
Type of Impact	City	County	Total
Earnings	\$ 27,653,771	\$ 35,279,643	\$ 62,933,415
Employment	811	726	1,537



Fiscal Impact Analysis

Dallas Cowboys events in a new stadium in 2010 would generate approximately \$131 thousand in City tax receipts outside of the stadium. A summary is provided in Exhibit 51.

Exhibit 51: Annual Fiscal Impact of Dallas Cowboys Events in 2010 in New Stadium (Not Including Franchise Operations)

Net New Incremental Tax Impact			
Tax Category	City	County	Total
Sales and Use	\$ 36,165	\$ -	\$ 36,165
Hotel Occupancy	\$ 42,767	\$ -	\$ 42,767
Mixed Beverage	\$ 3,261	\$ 6,732	\$ 9,993
Sub-total	\$ 82,193	\$ 6,732	\$ 88,924
Indirect Taxation	\$ 49,502	\$ 4,179	\$ 53,681
Total Fiscal Impact	\$ 131,695	\$ 10,910	\$ 142,605

Other events in a new stadium draw fans who spend less money outside of the stadium. The total fiscal impact is shown in Exhibit 52. The City and County combined would generate over \$69 thousand in tax receipts from these other event attendees.

Exhibit 52: Annual Fiscal Impact of Other Events in 2010 in New Stadium (Not Including Franchise Operations)

Net New Incremental Tax Impact			
Tax Category	City	County	Total
Sales and Use	\$ 18,440	\$ -	\$ 18,440
Hotel Occupancy	\$ 21,605	\$ -	\$ 21,605
Mixed Beverage	\$ 1,648	\$ 1,753	\$ 3,401
Sub-total	\$ 41,692	\$ 1,753	\$ 43,445
Indirect Taxation	\$ 25,083	\$ 1,087	\$ 26,170
Total Fiscal Impact	\$ 66,775	\$ 2,840	\$ 69,615



Franchise and stadium operations in a new stadium in 2010 would generate substantial fiscal impacts for the City of Irving. Just over \$5 million in tax receipts and fees would come from the operations of a new stadium and the Dallas Cowboys franchise. Exhibit 53 below shows a summary of the findings.

Exhibit 53: Annual Fiscal Impact of Franchise & Stadium Operations in 2010 in New Stadium

Net New Incremental Tax Impact			
Tax Category	City	County	Total
Sales and Use	\$ 1,811,216	\$ -	\$ 1,811,216
Hotel Occupancy	\$ 8,605	\$ -	\$ 8,605
Mixed Beverage	\$ 68,979	\$ 67,868	\$ 136,847
Ad Valorem ¹	\$ 85,517	\$ 84,464	\$ 169,981
Stadium Rental Fees ²	\$ 3,000,000	\$ -	\$ 3,000,000
Unreimbursed cost to City ³	\$ (95,882)	\$ -	\$ (95,882)
Sub-total	\$ 4,878,435	\$ 152,332	\$ 5,030,767
Indirect Taxation	\$ 186,326	\$ 19,911	\$ 206,237
Total Fiscal Impact	\$ 5,064,761	\$ 172,243	\$ 5,237,004

¹Ad Valorem tax for the City is BPP (0.5479%), and for the County it is BPP (0.54116%). The school district also receives \$276,356.

²Stadium Rental Fees paid to the City.

³Estimate of cost to City for unreimbursed city services pertaining to events.

A summary of the entire fiscal impact of a new stadium in 2010 is shown below in Exhibit 54. The City and County will receive nearly \$5.3 million and \$186 thousand, respectively.



Exhibit 54: Summary of Fiscal Impact of New Stadium and All Events in 2010

Net New Incremental Tax Impact			
Tax Category	City	County	Total
Sales and Use	\$ 1,865,821	\$ -	\$ 1,865,821
Hotel Occupancy	\$ 72,976	\$ -	\$ 72,976
Mixed Beverage	\$ 73,888	\$ 76,352	\$ 150,241
Ad Valorem ¹	\$ 85,517	\$ 84,464	\$ 169,981
Stadium Rental Fees ²	\$ 3,000,000	\$ -	\$ 3,000,000
Unreimbursed cost to City ³	\$ (95,882)	\$ -	\$ (95,882)
Sub-total	\$ 5,002,320	\$ 160,817	\$ 5,163,137
Indirect Taxation	\$ 260,911	\$ 25,176	\$ 286,087
Total Fiscal Impact	\$ 5,263,231	\$ 185,993	\$ 5,449,224

¹Ad Valorem tax for the City is BPP (0.5479%), and for the County it is BPP (0.54116%). The school district also receives \$276,356.

²Stadium Rental Fees paid to the City.

³Estimate of cost to City for unreimbursed city services pertaining to events.

Exhibit 55 below is a summary of the entire fiscal impact of Texas Stadium and all of its events in 2010. The total tax and fees impact on the City and County is \$3.5 million and \$182 thousand, respectively.

Exhibit 55: Summary of Fiscal Economic Impact of Texas Stadium and All Events in 2010

Net New Incremental Tax Impact			
Tax Category	City	County	Total
Sales and Use	\$ 1,307,722	\$ -	\$ 1,307,722
Hotel Occupancy	\$ 57,863	\$ -	\$ 57,863
Mixed Beverage	\$ 62,325	\$ 74,132	\$ 136,456
Ad Valorem ¹	\$ 85,517	\$ 84,464	\$ 169,981
Stadium Rental Fees ²	\$ 1,810,843	\$ -	\$ 1,810,843
Unreimbursed cost to City ³	\$ (95,882)	\$ -	\$ (95,882)
Sub-total	\$ 3,228,387	\$ 158,596	\$ 3,386,983
Indirect Taxation	\$ 231,481	\$ 23,773	\$ 255,254
Total Fiscal Impact	\$ 3,459,868	\$ 182,369	\$ 3,642,237

¹Ad Valorem tax for the City is BPP (0.5479%), and for the County it is BPP (0.54116%). The school district also receives \$276,356.

²Stadium Rental Fees paid to the City.

³Estimate of cost to City for unreimbursed city services pertaining to events.



COMPARISON WITH ARLINGTON REPORT

This section of the report contains a brief comparative analysis juxtaposing this report to a report that was commissioned by the City of Arlington in August 2004. The Arlington report contains an analysis of the “Economic and Fiscal Impacts for the Proposed NFL Stadium in Arlington, Texas” and was dated August 11, 2004.

Calculating economic and fiscal impacts is not an exact science. Over the years many different scholarly approaches have been applied to these kinds of analyses. Given the sheer number of assumptions that go into an analysis like this and given the number of different methodologies that have been utilized by scholars across the country, it is easy to see why results can vary widely.

There are a number of differences in the way this report approached this project compared to the way the Arlington report approached it, both in the construction analyses and the new stadium analyses. Some of the differences can be found in the assumptions, both in the stadium and outside the stadium. Some of the differences can be found in the methodological approach. While this section offers a brief comparison of the two reports for analytical purposes, it is not intended in any way as a critique or evaluation of the Arlington report and should not be used as a substitute for reading both reports in their entirety.

Comparison of Construction Analyses

This section compares some of the key assumptions, methods and findings of the two reports for the construction (one-time) impact of a hypothetical new stadium. First, it should be noted that one report assumed a project being built in Arlington and this report assumed that the project would be built in Irving.



Comparison of Construction Assumptions

The Arlington report used a figure of \$620 million in total development costs in 2010 dollars. We are not able to tell from that report why 2010 dollars were used. This report assumes that the Cowboys new stadium will be open in 2009 and built from 2006-2009. Therefore, this report uses 2006-2007 development cost figures. By way of comparison, this report uses \$577 million compared with \$620 million in the Arlington report.

The Arlington report is similar to this report in that both reports use a split of expenditures across labor & equipment and materials of 35% and 65%, respectively. The capture rate for Arlington and Tarrant County (excluding Arlington) is 5.7% and 22.0%, respectively. This report uses 4.3% and 24.7% capture rates for Irving and Dallas County (excluding Irving), respectively.²⁷ Exhibit 56 details the construction assumptions used in this report and the Arlington report.

Exhibit 56: Comparison of Construction Assumptions

	THIS REPORT		ARLINGTON REPORT	
Year and Estimated Cost	Year 2006	\$577,263,000	Year 2010	\$620,000,000
<u>Labor & Equipment</u>	35.00%	\$202,042,050	35.00%	\$217,000,000
Percentage Spent Within City	3.60%	\$7,181,818	6.00%	\$13,317,000
Percentage Spent Within County	28.00%	\$55,813,590	30.00%	\$64,701,000
<u>Materials</u>	65.00%	\$375,220,950	65.00%	\$403,000,000
Percentage Spent Within City	4.70%	\$17,617,253	5.00%	\$21,984,000
Percentage Spent Within County	22.00%	\$82,534,205	27.00%	\$106,808,000
<u>Multipliers</u>	<u>Employment</u>	<u>Construction</u>	<u>Employment</u>	<u>Construction</u>
City	17.23	1.76	23.00	2.03
County	16.93	1.78	23.00	2.03

²⁷ 4.3% is the weighted average of 3.6% and 4.7% (weighted by 35% and 65%). It is the average capture rate for Irving from construction.

Comparison of Construction Methods & Findings

The construction multiplier used by the Arlington report for both Arlington and Tarrant County of 2.03 is much higher than those used by this report, of 1.76 and 1.78 for Irving and Dallas County, respectively.²⁸ The Arlington multiplier will create about 35% more total impact than the multiplier in this report. Using a smaller multiplier is more conservative. The Arlington report uses non-residential construction income to create a multiplier. This report uses a multiplier provided by IMPLAN, a standard in the industry.

Another important assumption made in the Arlington report is that the construction of the stadium represents new economic activity in the City and County. While certainly the construction of the facility is a new project in the City and County, it is not necessarily new economic activity. In particular, the funding to build a new facility may instead have been used to build something else or on any other type of project. Hence, the construction isn't new economic activity, but rather a different economic activity. This subtlety matters when measuring the economic impact of construction. This report estimates a total gross economic impact in the City of Irving of \$44 million during the construction period (compared with \$72 million in the Arlington report). The net economic impact of construction is a direct loss of \$264 million. The Arlington report does not do a cost-benefit comparison of cost of construction versus benefit during the construction period; the Arlington report only looks at the benefit. Exhibit 57 below details the differences between the construction outputs in the two reports.

²⁸ The Arlington report shows its multiplier as 1.03, but it is a gross multiplier meaning that for every \$100 in construction spending, an additional \$103 in output will be produced making a total of \$203. This report utilizes a net multiplier meaning that for every \$100 in construction spending, \$176 dollars in total will be generated (\$100 in direct and \$76 in indirect).



Exhibit 57: Comparison of Construction Outputs

	THIS REPORT	ARLINGTON REPORT	INDEX
<u>Total Output</u>			
City	\$43,761,531	\$71,764,000	61
County	\$246,908,204	\$348,660,000	71
<u>Earnings</u>			
City	\$36,045,410	\$25,117,000	144
County	\$199,201,094	\$122,031,000	163
<u>Employment</u>			
City	621	457	136
County	3,372	2,222	152

Index: Arlington Report = 100 For example, this report estimates that City Total Output for the City of Irving will be only 61% of what the Arlington report has estimated for the City of Arlington.

Comparison of New Stadium Operating Analyses

This section compares some of the key assumptions, methods and findings of the two reports for the operation (annual) impact of a hypothetical new stadium.

Comparison of On-Site Operating Assumptions

Event Comparison. This report assumes 38 annual events while the Arlington report assumes 45. The differences are not really material. We elected to take out a few high school football games and deleted the Bowl Alliance. We also reduced the festivals slightly. We also have not looked at any “mega” events because we feel there is no way to know when or if they will come to the stadium due to the increased competition and venues for those events.

Stadium Operations. This report assumes \$21 million in stadium operating expenses in both 2009 and 2010. The Arlington report uses \$7.1 million. Perhaps it is not really the stadium operating “budget” as page 22 of the Arlington report states, but really only that portion of the budget which they believe will be spent inside the City of Arlington. We



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do not know. In the final analysis of economic impact, this budget finding is not used at all in the calculations in the Arlington report..

Concessions/Novelty. For 2003, this report assumes a \$19.82 blended per cap for concessions, catering and novelty sales compared with \$20.00 used in the Arlington report. For 2010, this report assumes a \$39.84 blended per cap for concessions, catering and novelty sales compared with \$39.01 used in the Arlington report.

Stadium Parking. For 2009, this report assumes a \$36.50 per car price for Cowboys games (\$25 for other events) and the Arlington report uses the same figure. We estimate \$8.8 million in 2009 net parking revenue while the Arlington report estimates \$8 million for 2010.

Ticket Sales. This report calculates net ticket sales as including the “ticket” portion of the suites and club seats. We have also factored in Visiting Team Share (“VTS”) for the Cowboys for 2002 and 2003 and then applied a CAGR in the out years from 2004 to 2010. Historically, the Cowboys have received more from the VTS pool than they have paid in. This report estimates 2010 ticket sales at \$62.4 million gross and \$57.5 million net while the Arlington report estimates 2010 ticket sales at \$58 million (it is not clear from the report if their figure is gross or net).

Club Seats. This report assumes 5,000 club seats that generate \$3.1 million in 2009 and 2010 for the “ticket portion” of the club seat revenue stream. The Arlington report does not indicate how many club seats are in their inventory but estimates \$2.3 million in “ticket portion” club seat revenue for 2010.

Luxury Suites. This report assumes 245 suites with over 90% leased on a multi-year basis and 25 rented on a game-by-game or multiple game basis. The suite inventory in



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our report accounts for 7,100 of the 75,600 total seats in the hypothetical new stadium. This report estimates that the net “ticket portion” of the suite revenues will be approximately \$6.8 million in 2009 and \$7 million in 2010. The Arlington report estimates that the “ticket portion” will be \$1.7 million. There is no other information in the Arlington report that would enable us to evaluate the reasons for such a large discrepancy. One possibility may be that the Cowboys are not planning to be as aggressive in suite sales as they have been in the past and may be considering reducing their suite inventory from 380 to an amount that is substantially lower.

Naming Rights. This report assumes \$12 million annually for naming rights. This \$12 million figure is, admittedly, more than any other stadium (Reliant Stadium receives approximately \$10 million annually) but we believe that it is a realistic estimate of what the Dallas Cowboys may be able to command on the open market. The Arlington report does not identify a figure for this revenue stream.

Advertising/Sponsorship. This report estimates that by 2009, the Cowboys will be in the range of \$42 million in total sponsorship – including \$12 million annually from naming rights. Removing the naming right component from our figures yields \$30 million in 2009. The Arlington report identifies a range of \$10 to \$20 million and states: “the advertising/sponsorship assumption should be high.” We agree with this assessment.

National TV Revenues. This report estimates \$100.6 million average annual distribution over the course of the next television deal for the NFL, beginning in 2006. The national television revenues are part of the “Common Revenues” discussed earlier. We reviewed the figures from the league from 1995 thru 2003 and applied a 5 percent CAGR commencing in 2007 to arrive at approximately \$122.6 million in 2009 and \$127.5 million in 2010. The Arlington report does not identify a figure.

Comparison of Off-Site Operating Assumptions

The Arlington report used a measure of per capita spending outside of the stadium of \$45.50 (in 2010 dollars) for Dallas Cowboys games. It is not clear what the amount is used for other events. This report uses a measure of \$46.73 (in 2004 dollars) for Cowboys, college football, and soccer events, primarily based on the findings at a September 2004 Atlanta Falcons game. For other events, this report assumed per capita spending of \$15.06 based on economic impact studies of concerts.

The Arlington report assumes a much higher capture rate for spending by visitors outside of the stadium than this report. It would appear that Arlington should have a higher capture rate than Irving because it is about two-thirds larger than Irving. Also, the stadium in Arlington might have a favorable location in terms of generating out-of-stadium expenditures that do not leak out of the city. However, it utilizes a capture rate in Arlington of over 75%. That is much higher than is used for major cities that are substantially larger relative to their surrounding metropolitan area. Arlington is 6% of the population of the DFW CMSA. This report uses a capture rate, 18.7%, which is 4.5 times as large as Irving is relative to the DFW CMSA. It is also the capture rate used by a 1998 study of the Dallas Cowboys that utilized primary research. It appears that one reason for such a large capture rate is that the Arlington report considers Tarrant County to be the relevant geographic area for comparison in that nearly 90% of expenditures would occur within this county even though it is right next to Dallas County, a much larger, more metropolitan area.

Both reports assume the capture rate of media and event personnel to be the same as visitor capture rates. The Arlington report assumed \$275 per capita for event and team personnel. This report assumed \$50 per capita based on our own conversations with NFL

team executives. The result is that this report shows \$100,000 per year in visiting team and media spending while the Arlington report shows well over \$500,000.

The Arlington report uses \$43,394 per worker for the employment multiplier, which is different than the construction multiplier noted earlier. This means that one construction job is supported for every \$43,394 spent during the construction phase or operations phase. The implication is that the multiplier for the Arlington report is 23.0. This report uses a multiplier of 17.23 for Irving and 16.93 for Dallas County.

The two reports differ on the projected attendance totals for the new building by about 10 percent. The Arlington report estimates that there will be over 1.5 million spectators in 2010. This report uses a figure of 1.36 million.

Comparison of Methods

The Arlington report describes the substitution effect, where spending in one sector reduces spending in another because the person decided to spend in one sector instead of the other. Yet, it does not apply the effect in the standard way, which is to not count local residents' spending at a stadium event because it is assumed that the resident would have spent their money elsewhere in the local community if not for the event. The Arlington report apparently counts all spectators at Dallas Cowboys games (and all other events) as generating new incremental economic impact. This substitution effect also applies to "casual" visitors and "time-switchers" in that they would have spent their money in the local community even if the event had not taken place. This report contains a weighted estimate that 26% of spectators are "casual" visitors, "time-switchers", or local residents.

It is not clear why, but the Arlington report does not evaluate the fiscal impacts from the Mixed Beverage Tax and Ad Valorem taxes, such as Business and Personal Property, and from stadium rent paid by the team. This report investigates each of these in addition to



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those studied by the Arlington report (Sales Tax and Hotel Occupancy Tax). The Arlington report also assumes that there are no real property taxes in Tarrant County. As a result, no fiscal impacts on Tarrant County are measured. This report finds a number of relevant Dallas County taxes. The Sales Tax for Arlington is 1.25%, but only 1.0% for Irving. This will significantly affect fiscal impact measurements.

The Arlington report included in its measure of relevant spending in Arlington much of the spending inside of the stadium that occurs during events (e.g., concessions, parking, ticket revenues, out-of-stadium miscellaneous revenues attributable to cheerleader special events among other things). This is a major difference—perhaps the major difference—in both reports. This report uses spending that comes out of the franchise and stadium into the community as part of economic impact. The Arlington report uses both spending by visitors within the stadium and then again spending by the team or stadium out into the community. This is a type of double-counting. Imagine a scenario where a team receives \$100 million in revenue and spends \$90 million in operational budget (keeping \$10 million in profit). The method used in the Arlington report would consider counting this as \$190 million in economic impact when only \$90 million actually is spent into the community and on workers at the stadium and franchise.

In short, each dollar of revenue going into the franchise does not generate economic impact. It is only each dollar of expenditure coming out of the franchise that flows into the marketplace and generates economic impact. And it is this difference in methodological approach, along with the difference in capture rates, that explains the differing results of the two studies.

Comparison of Operational Findings

The Arlington report finds an annual economic impact on Arlington of \$155 million for 10 Dallas Cowboys games and an additional \$83 million for 35 other events in a new



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stadium in Arlington in 2010. The fiscal impact found for Arlington is \$2.92 million. This report estimates that there would be 38 events total with 10 of those being Dallas Cowboys games. This report finds an economic impact for a new stadium in Irving of \$51 million for all events. The fiscal impact for this report for the City of Irving of a new Cowboys stadium in 2010 is \$5.3 million, as shown in Exhibit 58 below. Stadium rental fees account for \$3 million of this. Comparing the same tax sources, sales tax and hotel occupancy tax, as the Arlington report would produce \$1.9 million for Irving. The Arlington report simply looks at fewer tax sources.

Exhibit 58: Comparison of 2010 New Stadium Economic Impact

Table with 4 columns: Category, THIS REPORT, ARLINGTON REPORT, INDEX. Rows include Total Output (City, County), Earnings (City, County), Employment (City, County), and Fiscal Impact (City, County).

Index: Arlington Report = 100 For example, this report estimates that City Total Output will be only 21% of what the Arlington Report has estimated

In counting franchise revenues (e.g., ticket sales of \$68 million, parking revenues of \$8.5 million, and concessions of \$28 million, totaling \$104 million) as part of economic impact, the estimates of total economic impact in the City of Arlington and Tarrant



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County are \$155 million and \$279 million, respectively, for Dallas Cowboys games. Without those revenues, economic impact would fall to \$30 million per year in Arlington and \$73 million per year in Tarrant County (including Arlington). This report does not count franchise revenues (for reasons noted earlier), but it does count franchise spending into the local community of \$25 million in a new stadium in 2010. What is important with respect to economic impact is how much money makes it into the community. Moreover, the Arlington report shows ticket sales from general seating, clubs seats, and luxury suites totaling \$62 million, yet the final summary table indicates a figure of nearly \$68 million. It is not clear where the additional \$6 million stems from.

In terms of financial impact, the capture rates have the biggest effect. If Arlington had similar capture rates to this report, the estimates would be much closer because patron spending is closer. What is hidden in the Arlington report is very high capture rates for team and stadium revenues (which should be expenses as described above) along with high visiting spectator and team and media capture rates. For instance, the Arlington report has a 75% capture rate for the City of Arlington related to all spending outside of the stadium (e.g., lodging, food & beverage, gasoline, grocery stores, convenience stores, retail). The capture rate used for Tarrant County is 90%. However, when including the 100% implied capture rate of ticket sales, concessions, merchandise, and etc. within the stadium, the actual average capture rate for Arlington is 93%.

Finally, the inclusion of special or mega-events would cause the Arlington report's economic impact to be as high as \$483 million during a year when the stadium hosted the Super Bowl. This report does not include "mega-events" like the Super Bowl because the potential for them to occur is rare due to the increased number of domed stadiums that can host these types of events.



APPENDIX



APPENDIX PATRON OUT-OF-STADIUM SPENDING SURVEY

1. Do you work for the Falcons, the stadium or the media, or work in any capacity at Falcons games?

- No official affiliation
- Team Official – END SURVEY
- Other Event Employee – END SURVEY
- Media – END SURVEY
- Volunteer – END SURVEY

2. How many Falcons games do you plan to attend this season including pre-season games?

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- Not sure

3. Are you a Falcons season ticket holder?

- Yes
- No

4. Do you live inside or outside the city limits of Atlanta?

- Inside Atlanta – SKIP TO Q.10
- Outside Atlanta

5. Would you have come into Atlanta this weekend if the Falcons game was not taking place?

- Yes
- No

6. Are you staying overnight in Atlanta?

- Yes
- No – just here for the day – SKIP TO Q.8

7. How many days and nights are you staying?

- Days _____
- Nights _____

8. How did you get to Atlanta?

- Car (rode or drove)
 - Bus
 - Plane
 - Train
 - Other (specify)
-



APPENDIX PATRON OUT-OF-STADIUM SPENDING SURVEY

9. Does this visit to Atlanta replace any other past or future visit to the city?

- Yes
No
Not sure

10. In terms of your expenses for the game, how many people in your party are you paying for, including yourself?

- 1 - just myself
2
3
4
5
6
More (record number)

11. How much will you spend on each of the following each day while you are in Atlanta for the game?
(If expenditures are shared, please report only those that are respondent's responsibility)

Amount Spent Per Day

Table with 2 columns: Expense Category and Amount. Categories include Tickets, parking, concessions; Food & beverage; Lodging; Transportation; Shopping; Entertainment; and Any other miscellaneous spending.

12. What is your residential zip code?

Refused

PLEASE HOLD PDA IN FRONT OF RESPONDENT AND HAND THEM THE STYLUS

13. Please select the category that includes your age:

- 18-24
25-34
35-44
45-54
55 or older
Prefer not to answer



APPENDIX PATRON OUT-OF-STADIUM SPENDING SURVEY

14. And please select the category that includes your annual household income:
- Less than \$25,000
 - \$25,000 - \$49,999
 - \$50,000 - \$74,999
 - \$75,000 - \$99,999
 - \$100,000 – \$124,999
 - \$125,000 or more
 - Prefer not to answer

Thank you for your time and cooperation! Enjoy the game!



STABILIZED OPERATIONS FOR THE DALLAS COWBOYS AND STADIUM CONSOLIDATED (1995 - 2010 ESTIMATED)

	A	B	C	D	E	F	G	H	J	K	L	O	P	Q	R	S	T	V	W	X	Y	Z	AA
	CURRENT STADIUM																	IF NEW STADIUM					
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2009	2010					
NET REVENUES - ESTIMATED																							
Ticket Sales - Net	22,513,000	23,570,000	22,945,000	25,683,000	26,826,000	28,167,300	29,575,665	28,566,021	30,947,177	32,804,007	34,772,248	36,858,582	39,070,097	41,414,303	43,899,161	46,533,111	55,835,224	57,510,281					
		4.70%	-2.65%	11.93%	4.45%	5.00%	5.00%	-3.41%	8.34%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	34.82%	3.00%					
Local TV & Radio - Net	4,762,000	5,192,000	5,617,000	5,985,000	6,596,000	7,156,660	7,764,976	8,424,999	9,141,124	9,918,120	10,761,160	11,675,858	12,668,306	13,745,112	14,913,447	16,181,090	15,119,623	16,404,791					
		9.03%	8.19%	6.55%	10.21%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	10.00%	8.50%					
Premium Revenue - Net Tickets	9,810,000	10,371,000	10,810,000	10,006,000	11,725,000	12,302,273	12,907,968	13,543,483	14,202,175	14,901,410	15,635,071	16,404,854	17,212,537	18,059,985	18,949,157	19,882,107	30,209,592	31,115,879					
		5.72%	4.23%	-7.44%	17.18%	4.92%	4.92%	4.92%	4.86%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	4.92%	67.27%	3.00%					
Concessions & Catering - Net	4,657,000	5,063,000	2,223,000	3,928,000	4,372,000	4,634,320	4,912,379	5,207,122	6,214,047	6,524,750	6,850,987	7,193,537	7,553,214	7,930,874	8,327,418	8,743,789	10,310,137	10,825,643					
		8.72%	-56.09%	76.70%	11.30%	6.00%	6.00%	6.00%	19.34%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	30.00%	5.00%					
Other Local Revenue	7,248,000	8,125,000	9,439,000	9,975,000	10,272,000	11,812,800	13,584,720	15,622,428	17,971,200	20,666,880	23,766,912	27,331,949	31,431,741	36,146,502	41,568,478	47,803,749	42,241,497	46,465,647					
		12.10%	16.17%	5.68%	2.98%	15.00%	15.00%	15.00%	15.03%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	16.86%	10.00%					
Miscellaneous	12,703,000	15,175,000	17,027,000	16,506,000	16,351,000	17,168,550	18,026,978	18,928,326	19,045,870	19,998,163	20,998,072	22,047,975	23,150,374	24,307,893	25,523,287	26,799,452	41,283,997	43,348,197					
		19.46%	12.20%	-3.06%	-0.94%	5.00%	5.00%	5.00%	0.62%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	69.84%	5.00%					
Total Local Revenues	61,693,000	67,496,000	68,061,000	72,083,000	76,142,000	81,241,903	86,772,685	90,292,380	97,521,593	104,813,330	112,784,450	121,512,755	131,086,269	141,604,670	153,180,948	165,943,297	195,000,070	205,670,438					
		9.41%	0.84%	5.91%	5.63%	6.70%	6.81%	4.06%	8.01%	7.33%	7.61%	7.74%	7.88%	8.02%	8.18%	8.33%	37.71%	5.47%					
Common (League) Revenues	41,857,000	44,492,000	45,254,000	64,940,000	65,992,000	69,870,000	74,814,000	82,195,000	87,234,000	88,978,680	90,758,254	108,985,300	113,344,712	117,878,500	122,593,640	127,497,386	122,593,640	127,497,386					
		6.30%	1.71%	43.50%	1.62%	5.88%	7.08%	9.87%	6.13%	2.00%	2.00%	20.08%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%					
Total Net Revenues	103,550,000	111,988,000	113,315,000	137,023,000	142,134,000	151,111,903	161,586,685	172,487,380	184,755,593	193,792,010	203,542,703	230,498,055	244,430,981	259,483,170	275,774,588	293,440,683	317,593,710	333,167,824					
		8.15%	1.18%	20.92%	3.73%	6.32%	6.93%	7.11%	4.81%	5.03%	5.03%	13.24%	6.04%	6.16%	6.28%	6.41%	22.39%	4.90%					
EXPENSES - ESTIMATED																							
Player Costs	43,025,000	48,284,000	50,789,000	61,222,000	66,235,000	60,900,000	41,700,000	87,600,000	80,700,000	87,963,000	95,879,670	104,508,840	113,914,636	124,166,953	135,341,979	147,522,757	135,341,979	147,522,757					
		12.22%	5.19%	20.54%	8.19%	-8.05%	-31.53%	110.07%	-7.88%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%					
Team Expenses	7,778,000	11,061,000	9,091,000	13,071,000	10,546,000	12,127,900	14,553,480	17,464,176	19,599,632	21,559,596	23,715,555	26,087,111	28,695,822	31,565,404	34,721,944	38,194,139	34,721,944	38,194,139					
		42.21%	-17.81%	43.78%	-19.32%	15.00%	20.00%	20.00%	12.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%					
Stadium Rental/Stadium Debt	2,386,923	1,975,892	2,429,919	2,009,128	2,037,197	2,036,102	1,883,681	1,810,843	1,810,843	1,810,843	1,810,843	1,810,843	1,810,843	1,810,843	1,810,843	1,810,843	19,300,000	19,300,000					
		-17.22%	22.98%	-17.32%	1.40%	-0.05%	-7.49%	-3.87%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	965.80%	0.00%					
Stadium Operations	9,007,093	13,118,877	12,617,775	14,444,690	17,262,000	17,434,620	17,608,966	17,785,056	17,695,098	17,872,049	18,050,770	18,231,278	18,231,278	18,231,278	18,231,278	18,231,278	20,965,969	20,965,969					
		45.65%	-3.82%	14.48%	19.50%	1.00%	1.00%	1.00%	-0.51%	1.00%	1.00%	1.00%	0.00%	0.00%	0.00%	0.00%	15.00%	0.00%					
General & Administrative	9,727,907	13,914,123	13,940,225	15,162,310	16,606,000	20,259,320	24,716,370	30,153,972	31,974,479	34,212,692	36,607,581	39,170,111	41,912,019	44,845,860	47,985,070	51,344,025	47,985,070	51,344,025					
		43.03%	0.19%	8.77%	9.52%	22.00%	22.00%	22.00%	6.04%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%					
Total Local Expenses	71,924,923	88,353,892	88,867,919	105,909,128	112,686,197	112,757,942	100,462,498	154,814,047	151,780,052	163,418,180	176,064,419	189,808,183	204,564,597	220,620,338	238,091,114	257,103,042	258,314,963	277,326,891					
		22.84%	0.58%	19.18%	6.40%	0.06%	-10.90%	54.10%	-1.96%	5.53%	7.74%	7.81%	7.77%	7.85%	7.77%	7.85%	17.09%	7.36%					
Common (League) Expenses	2,000,000	3,310,000	2,780,000	3,330,000	3,640,000	3,420,000	4,170,000	4,570,000	4,810,000	5,179,526	5,577,441	6,005,926	6,467,329	6,964,179	7,499,199	8,075,322	7,499,199	8,075,322					
		65.50%	-16.01%	19.78%	9.31%	-6.04%	21.93%	9.59%	5.25%	7.68%	7.68%	7.68%	7.68%	7.68%	7.68%	7.68%	7.68%	7.68%					
Total Expenses	73,924,923	91,663,892	91,647,919	109,239,128	116,326,197	116,177,942	104,632,498	159,384,047	156,590,052	168,597,706	181,641,860	195,814,109	211,031,926	227,584,517	245,590,313	265,178,363	265,814,162	285,402,212					
		24.00%	-0.02%	19.19%	6.49%	-0.13%	-9.94%	52.33%	-1.75%	5.59%	7.74%	7.80%	7.77%	7.84%	7.91%	7.98%	16.80%	7.37%					
Subtotal	29,625,077	20,324,108	21,667,081	27,783,872	25,807,803	34,933,961	56,954,188	13,103,333	28,165,540	25,194,303	21,900,843	34,683,947	33,399,055	31,898,654	30,184,275	28,262,320	51,779,548	47,765,612					
		-31.40%	6.61%	28.23%	-7.11%	35.36%	63.03%	-114.95%	-10.10%	-13.07%	58.37%	-3.70%	-4.49%	-5.37%	-6.37%	62.33%	-7.75%						
Expansion Fees & Potential Fees	1,800,000	1,800,000	1,500,000	900,000	10,600,000	4,200,000	4,200,000	3,500,000	2,100,000	0	0	0	4,218,750	4,218,750	4,218,750	4,218,750	4,218,750	4,218,750					
OPERATING PROFIT - ESTIMATED	\$31,425,077	\$22,124,108	\$23,167,081	\$28,683,872	\$36,407,803	\$39,133,961	\$61,154,188	\$16,603,333	\$30,265,540	\$25,194,303	\$21,900,843	\$34,683,947	\$37,617,805	\$36,117,404	\$34,403,025	\$32,481,070	\$55,998,298	\$51,984,362					
		-29.60%	4.71%	23.81%	26.93%	7.49%	56.27%	-72.85%	82.29%	-7.78%	-13.07%	58.37%	8.46%	-3.99%	-4.75%	-5.59%	55.05%	-7.17%					

The figures herein are estimates only and are not a guarantee of future performance.

COWBOYS NET TICKET REVENUES (2003 ESTIMATED)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
1																							
2																							
3																							
4																							
5																							
6																							
7																							
8																							
9																							
10																							
11	8.25%	local sales tax																					
12	0.00%	per ticket facility financing surcharge																					
13	\$7.50	box office per ticket service charge																					
14	2.25%	credit card fee																					
15	2	home games - pre-season																					
16	8	home games - regular season																					
17	0	home games - post-season																					
18	10.00%	discount for pre-season games (lower scales)																					
19	20.00%	premium for post-season games (all scales)																					
20	0.00%	annual escalation utilized																					
21	1.00	inflation factor (thru 2007 open)																					
22																							
23																							
24																							
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MAJOR ASSUMPTIONS - ESTIMATE OF PAID AND TURNSTYLE ATTENDANCE FOR THE GENERAL SEATING AREAS (INCLUDING THE TICKET PORTION OF ALL PREMIUM SEATS) FOR THE "AVERAGE" PRE-SEASON GAME, REGULAR SEASON GAME AND POST-SEASON GAME																						
SEATING INVENTORY				PRE-SEASON GAMES - AVERAGE					REGULAR SEASON GAMES - AVERAGE					POST-SEASON GAMES - AVERAGE								
				Paid (see below)	Comp 1.00%	No Show 5.00%	Turnstile Attendance	Percentage Capacity	Paid (see below)	Comp 0.50%	No Show 2.00%	Turnstile Attendance	Percentage Capacity	Paid (see below)	Comp 0.00%	No Show 0.00%	Turnstile Attendance	Percentage Capacity				
Scale 1	14,000	PSL Seats	12,600	126	636	12,090	86.36%	14,000	70	281	13,789	98.49%	14,000	0	0	14,000	100.00%					
Scale 2	14,000	PSL Seats	12,600	126	636	12,090	86.36%	14,000	70	281	13,789	98.49%	14,000	0	0	14,000	100.00%					
Scale 3	10,000	PSL Seats	9,000	90	455	8,635	86.35%	10,000	50	201	9,849	98.49%	10,000	0	0	10,000	100.00%					
Scale 4	8,000	PSL Seats	7,200	72	364	6,908	86.35%	8,000	40	161	7,879	98.49%	8,000	0	0	8,000	100.00%					
Scale 5	5,000	Standard	4,370	44	221	4,193	83.86%	4,900	25	99	4,826	96.52%	4,900	0	0	4,900	98.06%					
Scale 6	1,500	Suites	1,311	13	66	1,258	83.87%	1,470	7	30	1,447	96.47%	1,471	0	0	1,471	98.07%					
Scale 7	1,200	Suites	1,032	10	52	990	82.50%	1,140	6	23	1,123	93.58%	1,142	0	0	1,142	95.17%					
Scale 8	1,200	Suites	1,032	10	52	990	82.50%	1,140	6	23	1,123	93.58%	1,142	0	0	1,142	95.17%					
Scale 9	1,200	Suites	978	10	49	939	78.25%	1,080	5	22	1,063	88.58%	1,084	0	0	1,084	90.33%					
Scale 10	1,000	Suites	866	9	44	831	83.10%	960	5	19	946	94.60%	961	0	0	961	96.10%					
Scale 11	1,000	Suites	877	9	44	842	84.20%	970	5	20	955	95.50%	971	0	0	971	97.10%					
Scale 12	500	Party Suites	425	4	21	408	81.60%	475	2	10	467	93.40%	476	0	0	476	95.20%					
Scale 13	7,000	Standard	5,390	54	272	5,172	73.89%	5,950	30	120	5,860	83.71%	5,982	0	0	5,982	85.46%					
Scale 14	0	Standard	0	0	0	0	0.00%	0	0	0	0	0.00%	0	0	0	0	0.00%					
Scale 15	0	Standard	0	0	0	0	0.00%	0	0	0	0	0.00%	0	0	0	0	0.00%					
Scale 16	0	Standard	0	0	0	0	0.00%	0	0	0	0	0.00%	0	0	0	0	0.00%					
Total	65,600		57,681	577	2,912	55,346	84.37%	64,085	321	1,290	63,116	96.21%	64,132	0	0	64,132	97.76%					

PRE-SEASON (PER GAME) ASSUMPTIONS - CALCULATION OF THE NUMBER OF PAID TICKETS AT EACH PRICE SCALE FOR THE "AVERAGE" PRE-SEASON GAME																						
ESTIMATE	INVENTORY	TICKETS SOLD AT GATE ("GS")			ADVANCE TICKETS ("AT")			PARTIAL SEASON ("PS")			FULL SEASON ("FS")			GROUP TICKETS ("GT")			PROMOTIONAL TICKETS ("PT")			PAID	OF CAPACITY	
		Sell Thru 110.00%	GS Sold	GS Price (Full Price)	Sell Thru 80.00%	AT Sold	AT Price 95.00%	Sell thru 80.00%	PS Sold	PS Price 90.00%	Sell thru 90.00%	FS Sold	FS Price 85.00%	Sell Thru 50.00%	GT Sold	GT Price 80.00%	Sell Thru 150.00%	PT Sold	PT Price 75.00%			
Scale 1	14,000	0.00%	0	\$70	0.00%	0	\$66.50	0.00%	0	\$63.00	90.00%	12,600	\$59.50	0.00%	0	\$56.00	0.00%	0	\$52.50	12,600	90.00%	
Scale 2	14,000	0.00%	0	\$60	0.00%	0	\$57.00	0.00%	0	\$54.00	90.00%	12,600	\$51.00	0.00%	0	\$48.00	0.00%	0	\$45.00	12,600	90.00%	
Scale 3	10,000	0.00%	0	\$50	0.00%	0	\$47.50	0.00%	0	\$45.00	90.00%	9,000	\$42.50	0.00%	0	\$40.00	0.00%	0	\$37.50	9,000	90.00%	
Scale 4	8,000	0.00%	0	\$44	0.00%	0	\$41.80	0.00%	0	\$39.60	90.00%	7,200	\$37.40	0.00%	0	\$35.20	0.00%	0	\$33.00	7,200	90.00%	
Scale 5	5,000	0.00%	0	\$38	6.40%	320	\$36.10	0.00%	0	\$34.20	81.00%	4,050	\$32.30	0.00%	0	\$30.40	0.00%	0	\$28.50	4,370	87.40%	
Scale 6	1,500																					

COWBOYS NET TICKET REVENUES (2003 ESTIMATED)

ESTIMATE	INVENTORY	TICKETS SOLD AT GATE ("GS")			ADVANCE TICKETS ("AT")			PARTIAL SEASON ("PS")			FULL SEASON ("FS")			GROUP TICKETS ("GT")			PROMOTIONAL TICKETS ("PT")			PAID	OF CAPACITY	
2003 Dollars	Sell Thru	GS Sold	GS Price (Full Price)	Sell Thru	AT Sold	AT Price 95.00%	Sell thru	PS Sold	PS Price 90.00%	Sell thru	FS Sold	FS Price 85.00%	Sell Thru	GT Sold	GT Price 80.00%	Sell Thru	PT Sold	PT Price 75.00%				
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84	\$70.00	14,000	0.00%	0	\$70	0.00%	0	\$66.50	0.00%	0	\$63.00	100.00%	14,000	\$59.50	0.00%	0	\$56.00	0.00%	0	\$52.50	14,000	100.00%
85	\$60.00	14,000	0.00%	0	\$60	0.00%	0	\$57.00	0.00%	0	\$54.00	100.00%	14,000	\$51.00	0.00%	0	\$48.00	0.00%	0	\$45.00	14,000	100.00%
86	\$50.00	10,000	0.00%	0	\$50	0.00%	0	\$47.50	0.00%	0	\$45.00	100.00%	10,000	\$42.50	0.00%	0	\$40.00	0.00%	0	\$37.50	10,000	100.00%
87	\$44.00	8,000	0.00%	0	\$44	0.00%	0	\$41.80	0.00%	0	\$39.60	100.00%	8,000	\$37.40	0.00%	0	\$35.20	0.00%	0	\$33.00	8,000	100.00%
88	\$38.00	5,000	0.00%	0	\$38	8.00%	400	\$36.10	0.00%	0	\$34.20	90.00%	4,500	\$32.30	0.00%	0	\$30.40	0.00%	0	\$28.50	4,900	98.00%
89	\$90.00	1,500	0.00%	0	\$90	8.00%	120	\$85.50	0.00%	0	\$81.00	90.00%	1,350	\$76.50	0.00%	0	\$72.00	0.00%	0	\$67.50	1,470	98.00%
90	\$80.00	1,200	5.00%	60	\$80	5.00%	60	\$76.00	0.00%	0	\$72.00	85.00%	1,020	\$68.00	0.00%	0	\$64.00	0.00%	0	\$60.00	1,140	95.00%
91	\$70.00	1,200	5.00%	60	\$70	5.00%	60	\$66.50	0.00%	0	\$63.00	85.00%	1,020	\$59.50	0.00%	0	\$56.00	0.00%	0	\$52.50	1,140	95.00%
92	\$60.00	1,200	5.00%	60	\$60	5.00%	60	\$57.00	0.00%	0	\$54.00	80.00%	960	\$51.00	0.00%	0	\$48.00	0.00%	0	\$45.00	1,080	90.00%
93	\$50.00	1,000	6.00%	60	\$50	10.00%	100	\$47.50	0.00%	0	\$45.00	80.00%	800	\$42.50	0.00%	0	\$40.00	0.00%	0	\$37.50	960	96.00%
94	\$45.00	1,000	7.00%	70	\$45	10.00%	100	\$42.75	0.00%	0	\$40.50	80.00%	800	\$38.25	0.00%	0	\$36.00	0.00%	0	\$33.75	970	97.00%
95	\$190.00	500	0.00%	0	\$190	5.00%	25	\$180.50	0.00%	0	\$171.00	90.00%	450	\$161.50	0.00%	0	\$152.00	0.00%	0	\$142.50	475	95.00%
96	\$35.00	7,000	5.00%	350	\$35	5.00%	350	\$33.25	0.00%	0	\$31.50	75.00%	5,250	\$29.75	0.00%	0	\$28.00	0.00%	0	\$26.25	5,950	85.00%
97	\$0.00	0	0.00%	0	\$0	0.00%	0	\$0.00	0.00%	0	\$0.00	0.00%	0	\$0.00	0.00%	0	\$0.00	0.00%	0	\$0.00	0	0.00%
98	\$0.00	0	0.00%	0	\$0	0.00%	0	\$0.00	0.00%	0	\$0.00	0.00%	0	\$0.00	0.00%	0	\$0.00	0.00%	0	\$0.00	0	0.00%
99	\$0.00	0	0.00%	0	\$0	0.00%	0	\$0.00	0.00%	0	\$0.00	0.00%	0	\$0.00	0.00%	0	\$0.00	0.00%	0	\$0.00	0	0.00%
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119	Scale 1	14,000	3.00%	420	\$84	97.00%	13,580	\$79.80	0.00%	0	\$75.60	0.00%	0	\$71.40	0.00%	0	\$67.20	0.00%	0	\$63.00	14,000	100.00%
120	Scale 2	14,000	3.00%	420	\$72	97.00%	13,580	\$68.40	0.00%	0	\$64.80	0.00%	0	\$61.20	0.00%	0	\$57.60	0.00%	0	\$54.00	14,000	100.00%
121	Scale 3	10,000	3.00%	300	\$60	97.00%	9,700	\$57.00	0.00%	0	\$54.00	0.00%	0	\$51.00	0.00%	0	\$48.00	0.00%	0	\$45.00	10,000	100.00%
122	Scale 4	8,000	3.00%	240	\$53	97.00%	7,760	\$50.16	0.00%	0	\$47.52	0.00%	0	\$44.88	0.00%	0	\$42.24	0.00%	0	\$39.60	8,000	100.00%
123	Scale 5	5,000	3.00%	150	\$46	97.00%	4,753	\$43.32	0.00%	0	\$41.04	0.00%	0	\$38.76	0.00%	0	\$36.48	0.00%	0	\$34.20	4,903	98.06%
124	Scale 6	1,500	3.00%	45	\$108	97.00%	1,426	\$102.60	0.00%	0	\$97.20	0.00%	0	\$91.80	0.00%	0	\$86.40	0.00%	0	\$81.00	1,471	98.07%
125	Scale 7	1,200	3.00%	36	\$96	97.00%	1,106	\$91.20	0.00%	0	\$86.40	0.00%	0	\$81.60	0.00%	0	\$76.80	0.00%	0	\$72.00	1,142	95.17%
126	Scale 8	1,200	3.00%	36	\$84	97.00%	1,106	\$79.80	0.00%	0	\$75.60	0.00%	0	\$71.40	0.00%	0	\$67.20	0.00%	0	\$63.00	1,142	95.17%
127	Scale 9	1,200	3.00%	36	\$72	97.00%	1,048	\$68.40	0.00%	0	\$64.80	0.00%	0	\$61.20	0.00%	0	\$57.60	0.00%	0	\$54.00	1,084	90.33%
128	Scale 10	1,000	3.00%	30	\$60	97.00%	931	\$57.00	0.00%	0	\$54.00	0.00%	0	\$51.00	0.00%	0	\$48.00	0.00%	0	\$45.00	961	96.10%
129	Scale 11	1,000	3.00%	30	\$54	97.00%	941	\$51.30	0.00%	0	\$48.60	0.00%	0	\$45.90	0.00%	0	\$43.20	0.00%	0	\$40.50	971	97.10%
130	Scale 12	500	3.00%	15	\$228	97.00%	461	\$216.60	0.00%	0	\$205.20	0.00%	0	\$193.80	0.00%	0	\$182.40	0.00%	0	\$171.00	476	95.20%
131	Scale 13	7,000	3.00%	210	\$42	97.00%	5,772	\$39.90	0.00%	0	\$37.80	0.00%	0	\$35.70	0.00%	0	\$33.60	0.00%	0	\$31.50	5,982	85.46%
132	Scale 14	0	3.00%	0	\$0	97.00%	0	\$0.00	0.00%	0	\$0.00	0.00%	0	\$0.00	0.00%	0	\$0.00	0.00%	0	\$0.00	0	0.00%
133	Scale 15	0	3.00%	0	\$0	97.00%	0	\$0.00	0.00%	0	\$0.00	0.00%	0	\$0.00	0.00%	0	\$0.00	0.00%	0	\$0.00	0	0.00%
134	Scale 16	0	3.00%	0	\$0	97.00%	0	\$0.00	0.00%	0	\$0.00	0.00%	0	\$0.00	0.00%	0	\$0.00	0.00%	0	\$0.00	0	0.00%
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101	Total	65,600		660			1,275		0		62,150		0		0		0			64,085	97.69%	

ESTIMATE	INVENTORY	TICKETS SOLD AT GATE ("GS")			ADVANCE TICKETS ("AT")			PARTIAL SEASON ("PS")			FULL SEASON ("FS")			GROUP TICKETS ("GT")			PROMOTIONAL TICKETS ("PT")			PAID	OF CAPACITY	
		Sell Thru 3.00%	GS Sold	GS Price (Full Price)	Sell Thru 97.00%	AT Sold	AT Price 95.00%	Sell thru 0.00%	PS Sold	PS Price 90.00%	Sell thru 0.00%	FS Sold	FS Price 85.00%	Sell Thru 0.00%	GT Sold	GT Price 80.00%	Sell Thru 0.00%	PT Sold	PT Price 75.00%			
113																						
114																						
115																						
116																						
117																						
118																						
119	Scale 1	14,000	3.00%	420	\$84	97.00%	13,580	\$79.80	0.00%	0	\$75.60	0.00%	0	\$71.40	0.00%	0	\$67.20	0.00%	0	\$63.00	14,000	100.00%
120	Scale 2	14,000	3.00%	420	\$72	97.00%	13,580</															

COWBOYS NET TICKET REVENUES (2003 ESTIMATED)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
147																							
148																							
149																							
150																							
151	SEATING INVENTORY			PRE-SEASON - PER GAME BASIS										PRE-SEASON - ANNUAL									
152																							
153																							
154				Gross	Sales Tax	Surcharge	Net Before	% Subject To	Service Charge	% Purchased	Credit Card	Net After		Gross	Sales Tax	Surcharge	Net Before	Service Charge	Credit Card	Net After			
155				Sales	8.25%	0.00%	Adjustments	Service Charge	Revenue	On Credit Card	Expense	Adjustments		Sales	8.25%	0.00%	Adjustments	Revenue	Expense	Adjustments			
156																							
157	Scale 1	14,000	PSL Seats	\$811,550	\$61,850	\$0	\$749,700	0.00%	\$0	10.00%	\$1,825.99	\$747,874		\$1,623,101	\$123,701	\$0	\$1,499,400	\$0	\$3,652	\$1,495,748			
158	Scale 2	14,000	PSL Seats	\$695,615	\$53,015	\$0	\$642,600	0.00%	\$0	20.00%	\$3,130.27	\$639,470		\$1,391,229	\$106,029	\$0	\$1,285,200	\$0	\$6,261	\$1,278,939			
159	Scale 3	10,000	PSL Seats	\$414,056	\$31,556	\$0	\$382,500	0.00%	\$0	30.00%	\$2,794.88	\$379,705		\$828,113	\$63,113	\$0	\$765,000	\$0	\$5,590	\$759,410			
160	Scale 4	8,000	PSL Seats	\$291,496	\$22,216	\$0	\$269,280	0.00%	\$0	40.00%	\$2,623.46	\$266,657		\$582,991	\$44,431	\$0	\$538,560	\$0	\$5,247	\$533,313			
161	Scale 5	5,000	Standard	\$154,112	\$11,745	\$0	\$142,367	6.40%	\$2,098	50.00%	\$1,733.76	\$140,633		\$308,225	\$23,491	\$0	\$284,734	\$4,195	\$3,468	\$281,266			
162	Scale 6	1,500	Suites	\$98,551	\$7,511	\$0	\$91,040	6.40%	\$629	0.00%	\$0.00	\$91,040		\$197,101	\$15,022	\$0	\$182,080	\$1,259	\$0	\$182,080			
163	Scale 7	1,200	Suites	\$69,515	\$5,298	\$0	\$64,217	9.50%	\$735	0.00%	\$0.00	\$64,217		\$139,029	\$10,596	\$0	\$128,434	\$1,471	\$0	\$128,434			
164	Scale 8	1,200	Suites	\$60,825	\$4,636	\$0	\$56,190	9.50%	\$735	0.00%	\$0.00	\$56,190		\$121,651	\$9,271	\$0	\$112,379	\$1,471	\$0	\$112,379			
165	Scale 9	1,200	Suites	\$49,453	\$3,769	\$0	\$45,684	9.50%	\$697	0.00%	\$0.00	\$45,684		\$98,906	\$7,538	\$0	\$91,368	\$1,394	\$0	\$91,368			
166	Scale 10	1,000	Suites	\$36,729	\$2,799	\$0	\$33,930	14.60%	\$948	0.00%	\$0.00	\$33,930		\$73,458	\$5,598	\$0	\$67,860	\$1,897	\$0	\$67,860			
167	Scale 11	1,000	Suites	\$33,539	\$2,556	\$0	\$30,983	15.70%	\$1,033	0.00%	\$0.00	\$30,983		\$67,077	\$5,112	\$0	\$61,965	\$2,065	\$0	\$61,965			
168	Scale 12	500	Party Suites	\$67,240	\$5,125	\$0	\$62,116	4.00%	\$128	50.00%	\$756.45	\$61,359		\$134,481	\$10,249	\$0	\$124,232	\$255	\$1,513	\$122,719			
169	Scale 13	7,000	Standard	\$159,147	\$12,129	\$0	\$147,018	9.50%	\$3,840	85.00%	\$3,043.69	\$143,975		\$318,295	\$24,258	\$0	\$294,037	\$7,681	\$6,087	\$287,949			
170	Scale 14	0	Standard	\$0	\$0	\$0	\$0	0.00%	\$0	85.00%	\$0.00	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0			
171	Scale 15	0	Standard	\$0	\$0	\$0	\$0	0.00%	\$0	85.00%	\$0.00	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0			
172	Scale 16	0	Standard	\$0	\$0	\$0	\$0	0.00%	\$0	85.00%	\$0.00	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0			
173																							
174	Total	65,600		\$2,941,828	\$224,204	\$0	\$2,717,624		\$10,843		\$15,909	\$2,701,716		\$5,883,656	\$448,408	\$0	\$5,435,248	\$21,686	\$31,817	\$5,403,431			
175																							
176																							
177																							
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179																							
180																							
181																							
182																							
183																							
184	SEATING INVENTORY			REGULAR SEASON - PER GAME BASIS										REGULAR SEASON - ANNUAL									
185																							
186																							
187				Gross	Sales Tax	Surcharge	Net Before	% Subject To	Service Charge	% Purchased	Credit Card	Net After		Gross	Sales Tax	Surcharge	Net Before	Service Charge	Credit Card	Net After			
188				Sales	8.25%	0.00%	Adjustments	Service Charge	Revenue	On Credit Card	Expense	Adjustments		Sales	8.25%	0.00%	Adjustments	Revenue	Expense	Adjustments			
189																							
190	Scale 1	14,000	PSL Seats	\$901,723	\$68,723	\$0	\$833,000	0.00%	\$0	10.00%	\$2,029	\$830,971		\$7,213,780	\$549,780	\$0	\$6,664,000	\$0	\$16,231	\$6,647,769			
191	Scale 2	14,000	PSL Seats	\$772,905	\$58,905	\$0	\$714,000	0.00%	\$0	20.00%	\$3,478	\$710,522		\$6,183,240	\$471,240	\$0	\$5,712,000	\$0	\$27,825	\$5,684,175			
192	Scale 3	10,000	PSL Seats	\$460,063	\$35,063	\$0	\$425,000	0.00%	\$0	30.00%	\$3,105	\$421,895		\$3,680,500	\$280,500	\$0	\$3,400,000	\$0	\$24,843	\$3,375,157			
193	Scale 4	8,000	PSL Seats	\$323,884	\$24,684	\$0	\$299,200	0.00%	\$0	40.00%	\$2,915	\$296,285		\$2,591,072	\$197,472	\$0	\$2,393,600	\$0	\$23,320	\$2,370,280			
194	Scale 5	5,000	Standard	\$172,973	\$13,183	\$0	\$159,790	8.00%	\$2,940	50.00%	\$1,946	\$157,844		\$1,383,781	\$105,461	\$0	\$1,278,320	\$23,520	\$15,568	\$1,262,752			
195	Scale 6	1,500	Suites	\$122,902	\$9,367	\$0	\$113,535	8.00%	\$882	0.00%	\$0	\$113,535		\$983,213	\$74,933	\$0	\$908,280	\$7,056	\$0	\$908,280			
196	Scale 7	1,200	Suites	\$85,214	\$6,494	\$0	\$78,720	10.00%	\$855	0.00%	\$0	\$78,720		\$681,715	\$51,955	\$0	\$629,760	\$6,840	\$0	\$629,760			
197	Scale 8	1,200	Suites	\$74,563	\$5,683	\$0	\$68,880	10.00%	\$855	0.00%	\$0	\$68,880		\$596,501	\$45,461	\$0	\$551,040	\$6,840	\$0	\$551,040			
198	Scale 9	1,200	Suites	\$60,598	\$4,618	\$0	\$55,980	10.00%	\$810	0.00%	\$0	\$55,980		\$484,787	\$36,947	\$0	\$447,840	\$6,480	\$0	\$447,840			
199	Scale 10	1,000	Suites	\$45,194	\$3,444	\$0	\$41,750	16.00%	\$1,152	0.00%	\$0	\$41,750		\$361,555	\$27,555	\$0	\$334,000	\$9,216	\$0	\$334,000			
200	Scale 11	1,000	Suites	\$41,162	\$3,137	\$0	\$38,025	17.00%	\$1,237	0.00%	\$0	\$38,025		\$329,297	\$25,097	\$0	\$304,200	\$9,894	\$0	\$304,200			
201	Scale 12	500	Party Suites	\$83,555	\$6,368	\$0	\$77,188	5.00%	\$178	50.00%	\$940	\$76,248		\$668,444	\$50,844	\$0	\$617,500	\$1,425	\$7,520	\$609,980			
202	Scale 13	7,000	Standard	\$194,931	\$14,856	\$0	\$180,075	10.00%	\$4,463	85.00%	\$3,728	\$176,347		\$1,559,450	\$118,850	\$0	\$1,440,600	\$35,700	\$29,824	\$1,410,776			
203	Scale 14	0	Standard	\$0	\$0	\$0	\$0	0.00%	\$0	85.00%	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0			
204	Scale 15	0	Standard	\$0	\$0	\$0	\$0	0.00%	\$0	85.00%	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0			
205	Scale 16	0	Standard	\$0	\$0	\$0	\$0	0.00%	\$0	85.00%	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0			
206																							
207	Total	65,600		\$3,339,667	\$254,524	\$0	\$3,085,143		\$13,371	30.00% approximate	\$18,141	\$3,067,001		\$26,717,334	\$2,036,194	\$0	\$24,681,140	\$106,971	\$145,131	\$24,536,009			
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The figures herein are estimates only and are not a guarantee of future performance.
(c) Turnkey Sports, LLC 1997-2004

COWBOYS TICKET REVENUE IN THE NEW STADIUM (2009 ESTIMATED)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
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11		8.25%	Local sales tax																					
12		0.00%	per ticket facility financing surcharge																					
13		\$7.50	box office per ticket service charge																					
14		2.25%	credit card fee																					
15		2	home games - pre-season																					
16		8	home games - regular season																					
17		0	home games - post-season																					
18		10.00%	discount for pre-season games (lower scales)																					
19		20.00%	premium for post-season games (all scales)																					
20		3.00%	annual escalation utilized																					
21		1.19	inflation factor (thru 2009 open)																					
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MAJOR ASSUMPTIONS - ESTIMATE OF PAID AND TURNSTILE ATTENDANCE FOR THE GENERAL SEATING AREAS (INCLUDING THE TICKET PORTION OF ALL PREMIUM SEATS) FOR THE "AVERAGE" PRE-SEASON GAME, REGULAR SEASON GAME AND POST-SEASON GAME																							
SEATING INVENTORY			PRE-SEASON GAMES - AVERAGE					REGULAR SEASON GAMES - AVERAGE					POST-SEASON GAMES - AVERAGE										
			Paid (see below)	Comp 1.00%	No Show 5.00%	Turnstile Attendance	Percentage Capacity	Paid (see below)	Comp 0.50%	No Show 2.00%	Turnstile Attendance	Percentage Capacity	Paid (see below)	Comp 0.00%	No Show 0.00%	Turnstile Attendance	Percentage Capacity						
Scale 1	14,000	PSL Seats	12,600	126	636	12,090	86.36%	14,000	70	281	13,789	98.49%	14,000	0	0	14,000	100.00%						
Scale 2	14,000	PSL Seats	12,600	126	636	12,090	86.36%	14,000	70	281	13,789	98.49%	14,000	0	0	14,000	100.00%						
Scale 3	10,000	PSL Seats	9,000	90	455	8,635	86.35%	10,000	50	201	9,849	98.49%	10,000	0	0	10,000	100.00%						
Scale 4	8,000	PSL Seats	7,200	72	364	6,908	86.35%	8,000	40	161	7,879	98.49%	8,000	0	0	8,000	100.00%						
Scale 5	5,000	Club Seats	4,500	45	227	4,318	86.36%	5,000	25	101	4,924	98.48%	5,000	0	0	5,000	100.00%						
Scale 6	1,500	Suites	1,350	14	68	1,296	86.40%	1,500	8	30	1,478	98.53%	1,500	0	0	1,500	100.00%						
Scale 7	1,200	Suites	1,080	11	55	1,036	86.33%	1,200	6	24	1,182	98.50%	1,200	0	0	1,200	100.00%						
Scale 8	1,200	Suites	1,026	10	52	984	82.00%	1,140	6	23	1,123	93.58%	1,142	0	0	1,142	95.17%						
Scale 9	1,200	Suites	1,026	10	52	984	82.00%	1,140	6	23	1,123	93.58%	1,142	0	0	1,142	95.17%						
Scale 10	1,000	Suites	855	9	43	821	82.10%	950	5	19	936	93.60%	952	0	0	952	95.20%						
Scale 11	1,000	Suites	810	8	41	777	77.70%	900	5	18	887	88.70%	903	0	0	903	90.30%						
Scale 12	500	Party Suites	320	3	16	307	61.40%	400	2	8	394	78.80%	403	0	0	403	80.60%						
Scale 13	7,000	Standard	5,775	58	292	5,541	79.16%	6,300	32	127	6,205	88.64%	6,321	0	0	6,321	90.30%						
Scale 14	10,000	Standard	6,850	69	346	6,573	65.73%	7,500	38	151	7,387	73.87%	7,575	0	0	7,575	75.75%						
Scale 15	0	Standard	0	0	0	0	0.00%	0	0	0	0	0.00%	0	0	0	0	0.00%						
Scale 16	0	Standard	0	0	0	0	0.00%	0	0	0	0	0.00%	0	0	0	0	0.00%						
			75,600		64,992	651	3,283	62,360	82.49%	72,030	363	1,448	70,945	93.84%	72,138	0	0	72,138	95.42%				

PRE-SEASON (PER GAME) ASSUMPTIONS - CALCULATION OF THE NUMBER OF PAID TICKETS AT EACH PRICE SCALE FOR THE "AVERAGE" PRE-SEASON GAME																					
ESTIMATE	INVENTORY	TICKETS SOLD AT GATE ("GS")			ADVANCE TICKETS ("AT")			PARTIAL SEASON ("PS")			FULL SEASON ("FS")			GROUP TICKETS ("GT")			PROMOTIONAL TICKETS ("PT")			PAID	OF CAPACITY
		Sell Thru 110.00%	GS Sold	GS Price (Full Price)	Sell Thru 80.00%	AT Sold	AT Price 95.00%	Sell thru 80.00%	PS Sold	PS Price 90.00%	Sell thru 90.00%	FS Sold	FS Price 85.00%	Sell Thru 50.00%	GT Sold	GT Price 80.00%	Sell Thru 150.00%	PT Sold	PT Price 75.00%		
Scale 1	14,000	0.00%	0	\$125	0.00%	0	\$118.52	0.00%	0	\$112.28	90.00%	12,600	\$106.04	0.00%	0	\$99.80	0.00%	0	\$93.57	12,600	90.00%
Scale 2	14,000	0.00%	0	\$107	0.00%	0	\$101.59	0.00%	0	\$96.24	90.00%	12,600	\$90.89	0.00%	0	\$85.55	0.00%	0	\$80.20	12,600	90.00%
Scale 3	10,000	0.00%	0	\$89	0.00%	0	\$84.65	0.00%	0	\$80.20	90.00%	9,000	\$75								

COWBOYS TICKET REVENUE IN THE NEW STADIUM (2009 ESTIMATED)

ESTIMATE	INVENTORY	TICKETS SOLD AT GATE ("GS")			ADVANCE TICKETS ("AT")			PARTIAL SEASON ("PS")			FULL SEASON ("FS")			GROUP TICKETS ("GT")			PROMOTIONAL TICKETS ("PT")			PAID	OF CAPACITY	
2009 Dollars		Sell Thru	GS Sold	GS Price (Full Price)	Sell Thru	AT Sold	AT Price 95.00%	Sell thru	PS Sold	PS Price 90.00%	Sell thru	FS Sold	FS Price 85.00%	Sell Thru	GT Sold	GT Price 80.00%	Sell Thru	PT Sold	PT Price 75.00%			
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Total	75,600		1,700			1,750			0			68,580			0				0		72,030	95.28%

ESTIMATE	INVENTORY	TICKETS SOLD AT GATE ("GS")			ADVANCE TICKETS ("AT")			PARTIAL SEASON ("PS")			FULL SEASON ("FS")			GROUP TICKETS ("GT")			PROMOTIONAL TICKETS ("PT")			PAID	OF CAPACITY	
		Sell Thru 3.00%	GS Sold	GS Price (Full Price)	Sell Thru 97.00%	AT Sold	AT Price 95.00%	Sell thru 0.00%	PS Sold	PS Price 90.00%	Sell thru 0.00%	FS Sold	FS Price 85.00%	Sell Thru 0.00%	GT Sold	GT Price 80.00%	Sell Thru 0.00%	PT Sold	PT Price 75.00%			
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Total	75,600		2,268			69,869			0			0			0				0		72,137	95.42%

The figures herein are estimates only and are not a guarantee of future performance.
(c) Turnkey Sports, LLC, 1997-2004

COWBOYS TICKET REVENUE IN THE NEW STADIUM (2009 ESTIMATED)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
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The figures herein are estimates only and are not a guarantee of future performance.
(c) Turnkey Sports, LLC, 1997-2004

PREMIUM REVENUE FOR CURRENT AND NEW STADIUM (ESTIMATED)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	Z
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PARKING FOR 2003 AND 2009 (ESTIMATED)

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The figures herein are estimates only and are not a guarantee of future performance.

OTHER LOCAL REVENUE AND MISCELLANEOUS REVENUE (2003 and 2009 ESTIMATED)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
1															
2										Annual	Venue	Inflation			
3										Increase	Increase	Factor			
4			OTHER LOCAL REVENUE							2003-2008	2009	2003-2009		2009	
5															
6			Naming Rights					\$0						\$12,000,000	
7															
8			Corporate Sponsorship												
9															
10					Founding Partners	8	\$1,125,000	\$9,000,000	5.00%	20.00%	1.53			\$13,783,841	
11					Product Sponsors	10	\$600,000	\$6,000,000	10.00%	20.00%	1.93			\$11,595,672	
12					Tier A Sponsors	12	\$150,000	\$1,800,000	6.00%	20.00%	1.61			\$2,890,567	
13					Tier B Sponsors	24	\$80,000	\$1,920,000	7.00%	20.00%	1.68			\$3,231,479	
14					Subtotal			\$18,720,000						\$31,501,559	
15					Commissions			3.00%		(\$561,600)				(\$945,047)	
16					Sponsor Travel & Entertainment			1.00%		(\$187,200)				(\$315,016)	
17															
18					Subtotal Sponsorship					\$17,971,200				\$30,241,497	
19															
20					TOTAL OTHER LOCAL					\$17,971,200				\$42,241,497	
21															
22															
23			MISCELLANEOUS REVENUE												
24															
25			Offsite Retail Sales - Net					\$5,000,000	4.00%	8.00%	1.31			\$6,569,926	
26			Parking Revenues - Net					\$3,613,820	n/a	n/a	n/a			\$8,835,323	
27			Promotional Licensing					\$6,500,000	10.00%	20.00%	1.93			\$12,561,978	
28			Reimbursed Event Expenses					\$1,485,000	n/a	n/a	n/a			\$5,567,688	
29			Stadium Merchandise Sales - Net					\$638,650	5.00%	10.00%	1.40			\$896,607	
30			Stadium Rental Income					\$995,900	n/a	n/a	n/a			\$3,270,715	
31			TicketMaster Rebates					\$812,500	n/a	n/a	n/a			\$3,581,761	
32															
33					TOTAL MISCELLANEOUS					\$19,045,870				\$41,283,997	
34															
35															
36															

Local Marketing Check
Sponsorship, Media, Promo
\$33,612,324

The figures herein are estimates only and are not a guarantee of future performance.

TEAM / FOOTBALL OPERATIONS EXPENSES (2003 ESTIMATED)

	A	B	C	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
42																	
43																	
44																	
45																	
46																	
47				February	March	April	May	June	July	August	September	October	November	December	January		TOTALS
48			FOOTBALL OPERATIONS - S & B														
49			Benefits	\$142,773	\$142,773	\$142,773	\$142,773	\$214,160	\$142,773	\$142,773	\$142,773	\$142,773	\$142,773	\$214,160	\$142,773		\$1,856,054
50			Payroll Taxes	\$59,107	\$59,107	\$59,107	\$59,107	\$88,661	\$59,107	\$59,107	\$59,107	\$59,107	\$59,107	\$88,661	\$59,107		\$768,389
51			Pension- 401K	\$6,804	\$6,804	\$6,804	\$6,804	\$10,204	\$6,804	\$6,804	\$6,804	\$6,804	\$6,804	\$10,204	\$6,804		\$88,445
52			Salaries & Wages	\$827,273	\$827,273	\$827,273	\$827,273	\$1,240,909	\$827,273	\$827,273	\$827,273	\$827,273	\$827,273	\$1,240,909	\$827,273		\$10,754,544
53																	
54			TOTAL FOOTBALL OPERATIONS S & B	\$1,035,956	\$1,035,956	\$1,035,956	\$1,035,956	\$1,553,934	\$1,035,956	\$1,035,956	\$1,035,956	\$1,035,956	\$1,035,956	\$1,553,934	\$1,035,956		\$13,467,432 68.71%
55																	
56																	
57																	
58																	
59																	
60			FOOTBALL OPERATIONS - OTHER COSTS														
61			Audio Visual	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500		\$30,000
62			Auto Expense	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000		\$48,000
63			Clothing/Uniforms	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000		\$48,000
64			Computer Equipment	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000		\$36,000
65			Delivery	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250		\$3,000
66			Dues & Subscriptions	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100		\$1,200
67			Insurance Expense	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000		\$2,400,000
68			Legal Fees	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000		\$60,000
69			Meals & Entertainment	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500		\$102,000
70			Medical	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000	\$35,000		\$420,000
71			Memberships	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000		\$36,000
72			Office Supplies	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000		\$24,000
73			Player Development	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000		\$300,000
74			Training Camp	\$0	\$0	\$0	\$0	\$0	\$125,000	\$250,000	\$0	\$0	\$0	\$0	\$0		\$375,000
75			Training Equipment	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500	\$12,500		\$150,000
76			Training Supplies	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000	\$22,000		\$264,000
77			Travel - Scouting & Administration	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500	\$17,500		\$210,000
78			Travel & Accomodations - Team & Staff	\$0	\$0	\$0	\$0	\$0	\$375,000	\$750,000	\$125,000	\$125,000	\$125,000	\$125,000	\$0		\$1,625,000
79																	
80																	
81			TOTAL OTHER	\$344,350	\$344,350	\$344,350	\$344,350	\$344,350	\$844,350	\$1,344,350	\$469,350	\$469,350	\$469,350	\$469,350	\$344,350		\$6,132,200 31.29%
82																	
83																	
84			TOTAL TEAM EXPENSES	\$1,380,306	\$1,380,306	\$1,380,306	\$1,380,306	\$1,898,284	\$1,880,306	\$2,380,306	\$1,505,306	\$1,505,306	\$1,505,306	\$2,023,284	\$1,380,306		\$19,599,632 100.00%
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front office staff; coaching staff; football operations; player personnel; player development; college scouting; professional scouting; etc.= 70

\$192,392

The figures herein are estimates only and are not a guarantee of future performance.

TEXAS STADIUM OPERATING EXPENSES (2003 ESTIMATED)

	A	B	C	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
				February	March	April	May	June	July	August	September	October	November	December	January	TOTALS	
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The figures herein are estimates only and are not a guarantee of future performance.

CLUB GENERAL AND ADMINISTRATIVE EXPENSES (2003 ESTIMATED)

	A	B	C	G	H	I	J	K	L	M	N	O	P	Q	R	S	T
				February	March	April	May	June	July	August	September	October	November	December	January	TOTALS	
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The figures herein are estimates only and are not a guarantee of future performance.

TABLES FOR THE REPORT

SEE REPORT

The figures herein are estimates only and are not a guarantee of future performance.