Title: Preliminary Term Sheet for the Development of a Major League Soccer Stadium for Sacramento Republic FC and Railyards Infrastructure

Location: Downtown Railyards, District 3

Recommendation: Adopt a Resolution approving the Sacramento Major League Soccer Stadium Preliminary Term Sheet (Term Sheet).

Contact: Michael Jasso, Assistant City Manager, (916) 808-1380; John Dangberg, Special Economic Development Advisor to the City Manager, (916) 808-1222, Office of the City Manager

Presenter: John Dangberg, Special Economic Development Advisor to the City Manager, (916) 808-1222, Office of the City Manager

Attachments:
1-Description/Analysis
2-Background
3-Resolution
4-Sacramento MLS Term Sheet 03282019
Description/Analysis

**Issue Detail:** Major League Soccer (MLS) is the highest level of professional men’s soccer in the United States and Canada. The league has been expanding in recent years and based on the number of teams currently playing and the number of additional expansion teams awarded, the league stands at 27 committed teams. The league has committed to expand to 28 teams, and although there is speculation and discussion about the league expanding beyond that figure, there is currently one expansion opportunity slot available. MLS is considering several expansion opportunities throughout the United States.

Sac Soccer and Entertainment Holdings, LLC (SSEH) and its affiliates, including Sacramento Republic FC (Team), are seeking an award of an expansion team in Sacramento. To be awarded an expansion team, an MLS-qualified stadium must exist or be constructed to host the team. There is no existing stadium in the City of Sacramento that meets MLS standards. Thus, a viable plan for construction of a new stadium must be in place to secure an expansion team. The attached Term Sheet provides the framework for a public-private partnership for the construction and operation of a new stadium, and investment in critical Downtown Sacramento Railyards (Railyards) infrastructure.

The City has approved all necessary planning entitlements for the construction of a multi-purpose stadium in the eastern quadrant of the Sacramento. However, this quadrant lacks critical onsite and offsite infrastructure for the planned residential, retail, office, open space, and stadium uses. The attached Term Sheet provides for a public-private partnership to complete critical infrastructure. That infrastructure would directly support as much as $1 billion of development in the Railyards’ eastern quadrant and would further enable additional development of the Railyards.

The City Council previously approved a preliminary term sheet with SSEH as they pursued an MLS expansion team in December 2015. That term sheet and effort did not result in the award of a team. Since then, a new investor group with additional financial capacity and professional sports league experience has joined the SSEH bid to pursue a team. The investor group that is led by Ron Burkle (Investor Group) would become the managing general partner of the company that control the rights of the MLS expansion team.

The Investor Group has been working with the City to form a partnership to ensure that a new MLS multi-purpose stadium can be developed in Sacramento. The attached Term Sheet outlines the principal terms and provides a framework for moving forward with a stadium and area-wide infrastructure for multi-use development of the Railyards. It also demonstrates to MLS, in part, that a stadium can feasibly be developed in Sacramento and has the support of the City.
If approved by the City Council, the Term Sheet would be submitted to MLS to assist in its evaluation process. While the Term Sheet is preliminary and non-binding, it would serve as a good faith agreement and guideline for the preparation of definitive agreements between the City and Investor Group for the development of a new multi-purpose stadium and Railyards infrastructure. The Term Sheet would only be implemented if MLS awards an expansion team and Investor Group consummates the acquisition of the Team.

The Term Sheet sets forth the key terms, process, and framework by which the parties agree to negotiate definitive documents and potential approvals to be considered by the City regarding the potential location, financing, ownership, design, development, construction, operation, use, and occupancy of a new, first-class, state-of-the-art, multi-purpose stadium. In addition to serving as the home of Sacramento Republic FC, the stadium would host concerts, sporting events, community-oriented events, and other events.

The parties would agree to prepare definitive legal documents that contain the basic terms set forth in the Term Sheet, as well as other terms that are customary or standard for a project of this nature. The definitive legal documents may contain additional terms that are agreed to by the parties and that the City determines to be feasible. Definitive legal documents would be presented to the City Council for consideration after the MLS award of an expansion team.

**Summary of Key Terms:**

**Stadium Development:** The Investor Group would pay for and own the stadium and be responsible for all aspects of the stadium design, finance, construction, operation, maintenance, capital repairs, and improvements. The stadium would be located at the Railyards. The Investor Group has reached a tentative agreement with Downtown Railyard Venture, LLC to acquire the stadium site and adjacent development sites totaling approximately 31 acres. The stadium site is approximately 14 acres. In addition, the Investor Group would acquire 17 acres adjacent to the stadium for ancillary development. The estimated total development cost of the stadium is $252 million, and the ancillary development could be multiple times that amount. The Stadium project entitlements including California Environmental Quality Act review, Site Design and Plan Review, Conditional Use Permit, and variances have been previously approved by the City Council.

The City would absorb all internal (non-third-party) stadium building permit-related administrative, processing, and inspection costs, which are estimated at $1.8 million. City-imposed construction excise taxes estimated at $181,000 would be reimbursed by the City to the Investor Group. The Investor Group would require all contractors and subcontractors constructing the stadium to obtain a Use-Tax Direct Payment Permit from the State Board of Equalization. This would ensure that use-taxes generated by stadium construction on contracts
over $5 million would be allocated to the City. The City would reimburse the Investor Group for that use-tax generated by the project and received by the City. A similar arrangement for the construction of the Golden 1 Center generated approximately $457,000 in tax revenue.

**Non-Relocation Agreement:** The team would enter into a binding and enforceable stand-alone non-relocation agreement with the City that includes specific performance and injunctive relief provisions, pursuant to which the team will irrevocably and unconditionally commit and guarantee to play all its home pre-season, regular season, and post-season games at the stadium for a term of 35 years subject to a limited number of league-approved neutral site games and other customary exceptions.

**Enhanced Infrastructure Financing District (EIFD):** The City would pursue the establishment of an EIFD as provided under the California Government Code for a term as permitted under the code or the termination of the definitive agreements, whichever is earlier. The district would be established for the purposes of reimbursing the Investor Group for privately financed costs associated with public infrastructure improvements that support broad development within the district boundaries. The Investor Group would be responsible for securing its financing and other funding sources required to design and construct the required infrastructure, currently estimated at $27.2 million. Reimbursement would not exceed the inflation-adjusted cost of the infrastructure improvements minus any publicly funded infrastructure grants.

The City’s reimbursement would be limited to net-new incremental property tax revenue that is directly derived from the stadium and the ancillary development proposed within the 31-acre district boundaries. The EIFD would capture property tax revenue that would otherwise be deposited into the City’s Innovation and Growth Fund, and thus, will not impact the General Fund. No EIFD reimbursements would be provided for the stadium-site construction work.

**Municipal Services:** At all events, the Investor Group would be required to reimburse the City for its municipal service costs, including police, fire, emergency medical services, code enforcement and traffic control. To support start-up operations, and for a period of ten years, the City would waive such reimbursement for off-site municipal services provided in the public right of way (not inside the stadium, on the stadium site or parking sites) for MLS soccer events up to a maximum of $300,000 per year. The Investor Group would reimburse the City for municipal costs over $300,000 in any given year. The maximum contribution of municipal services is $3 million over the ten years. The estimated cost for municipal services is between $6,500 and $12,000 per soccer event. MLS teams currently play 17 regular season games per year (additional for playoffs) and average approximately three preseason and exhibition games per year. The anticipated cost is expected to be between $130,000 and $240,000 per year, or $1.3 million to $2.4 million over the ten-year term.
Digital Signage Plan: City staff would present to City Council for consideration a proposed program and required amendments (if any) to the City Code to provide the Investor Group with up to five digital sign locations (see also Team Training Complex and Youth Academy section below). City staff would recommend the adoption of enabling ordinances, if necessary, to allow for such signs under the provisions of SB31 and section 5272 of the California Business and Professions Code. There would be no cost to the City except for the administrative cost in processing the revisions to the Code and any necessary leases or contacts.

Team Training Complex and Youth Academy: The Investor Group has committed to work in good faith to locate the Team’s primary training complex in the City of Sacramento. The training complex would include a new, first-class, state-of-the-art facility that would serve as the primary training complex for the Team, host an MLS Youth Academy program, and provide for priority community use (Training Complex). Should the Investor Group develop the Training Complex in the City of Sacramento within two years of the announcement of the award of the Team, the Investor Group will identify a suitable site for one additional digital sign (six total). Once identified City staff will present to City Council for consideration the proposed program and required amendments (if any) to the City’s sign code to provide for the additional digital sign location in consideration of the substantial community benefits the Training Complex will provide.

Community Benefit Programs:

Regional Business and Employment Program: The Investor Group and its selected construction contractor would develop regional business and employment goals and programs in partnership with community stakeholders and the City that are generally consistent with the programs used for the construction of the Golden 1 Center. The effort would include at a minimum:

- Construction apprenticeship programs, including specific goals and programs for recruiting and hiring of local disadvantaged workers into apprenticeship programs.
- Specific goals and programs for hiring local and small business enterprises for professional services, construction, and supplies.
- Outreach, education, and training workshops for recruitment of disadvantaged workers, qualified subcontractors, and targeted businesses.
- Approaches to reduce entry barriers and augment hiring pathways to match local small business capacities.

Disadvantaged Persons / Youth Hiring: Following the opening of the stadium, the stadium operator and the team would use commercially reasonable efforts to develop and implement programs to recruit, train, and employ disadvantaged persons and youth within Sacramento.
**Charitable Contributions:** Cash contributions on average of $75,000 per year to Sacramento charities and non-profits. Total cash contribution of approximately $4.5 million over the 35-year term.

**Free Community Youth Soccer Clinics:** Club will host 1,000 youth participants per year at club clinics in underserved neighborhoods in Sacramento (estimated at $50 per person per clinic). Total cash value of $3 million over the 35-year term.

**Complimentary Tickets:** Donations of 100 tickets per game for use of Sacramento charities and non-profits. Total donated value of $3.6 million over the 35-year term.

**Youth Club Non-Profits Donations of Equipment and Gear:** Donations of equipment and gear valued at $50,000 to an estimated 500 deserving Sacramento youth recipients per year. Total estimated value of $3 million over the 35-year term.

**Soccer Field and Futsal Court Construction:** Annual builds or upgrades of one soccer field or futsal court in Sacramento for public use. Total value of $1 million over the 35-year term.

**Volunteer Hours:** Club staff commitment of 2,500 volunteer hours per year (average of $20 per hour) to Sacramento charitable organizations. Total estimated value of $3 million over the 35-year term.

**Food Service Fundraising Opportunities:** Fundraising of $75,000 per year to Sacramento non-profit organizations via food service concessionaire fundraising opportunities. Total expected contribution of $4.5 million over the 35-year term.

**Public access:** Public access to the open space, park, and trail areas around the Stadium when the site is not scheduled for an event.

Public Sector Tickets: The Investor Group would provide the City with ten club seats and associated parking to all ticketed events held at the stadium. Distribution of tickets would be subject to the City’s ticket distribution policy.

**Policy Considerations:** Successfully securing a new major league sports team and the development of a new MLS-caliber multi-purpose outdoor stadium in the Downtown Sacramento Railyards is expected to contribute to the cultural and economic development of Sacramento and the region. A downtown stadium would further anchor downtown as the region’s center of entertainment and cultural activity and provide Sacramento with a first-class outdoor venue for sports, entertainment, and cultural events. Both the MLS team and the
construction of the stadium would provide direct and indirect jobs as outlined in the Economic Impacts section below. In addition, the stadium and event activity may accelerate other investment and development in the Railyards, Downtown, River District, and other areas. Significant community benefits and quality of life through sports and entertainment would be a direct result of this effort.

**Economic Impacts:** The $252 million MLS stadium construction project would create between 1,310 and 2,639 jobs based on two generally accepted economic impact analysis models typically used by the City. The lower job estimate is based on local job estimates while the higher figure represents primarily regional and statewide job growth. The infrastructure construction could generate between 108 and 245 jobs during construction. The economic impacts associated with the development on the adjacent 17 acres could have an impact that is multiple times that of the stadium and infrastructure development. Additionally, a typical MLS franchise and stadium operation provides between 75 and 120 direct full-time jobs, over 800 part-time jobs, and also generates economic output from its operations.

The total economic output of the stadium construction project is estimated at between $214 million locally and $390 million regionally over the construction period. Total economic output includes direct and indirect output as well as induced activities. This includes such items as construction and consumer spending, transfers, wages, tax revenues, and transactions, among others. This does not include the benefits associated with any ancillary development spurred within the immediate area nor does it reflect spending benefits associated with ongoing team or stadium operations. The economic output of the infrastructure construction is estimated at between $16.7 million locally and $41.5 million regionally.

The local economic benefits are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilizes the IMPLAN input-output model (2009 coefficients) to quantify the economic impacts of a hypothetical $1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Regional figures were calculated using IMPLAN, a leading national provider of economic impact data. These are standard estimators used by the City. These estimates are preliminary, and these models provide relative estimates of jobs and outputs. A more comprehensive economic impact analysis and actual economic results could differ significantly from these estimates. Neither the City of Sacramento, CSER, nor IMPLAN are responsible for consequences resulting from such differences.

**Environmental Considerations:**

**California Environmental Quality Act:** The actions in this report are exempt from the California Environmental Quality Act (CEQA) under CEQA Guidelines (14 Cal. Code
Reg. Section 15000 et seq.) as they concern proposed business terms for future agreements. The stadium project has been reviewed and approved under CEQA. If the Council approves the Term Sheet, elements included in the Term Sheet such as digital billboards and a practice facility would be subject to CEQA analysis.

**Sustainability:** The proposed site is well suited for a sustainable development. Regional Transit’s light rail system runs along the western boundary of the proposed site and a station is proposed at the stadium. The Investor Group seeks to achieve LEED-equivalent energy and environmental design to the extent feasible.

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** Approval of the term sheet would allow the Investor Group to present a competitive proposal to MLS for the acquisition of an expansion professional soccer team and provide for a new state-of-the-art outdoor stadium downtown. The stadium development and events would serve as an economic catalyst for, and contribute to the continued revitalization of, the Downtown Railyards, the River District, the greater downtown area, and the region. It would ensure that the City has a suitable outdoor entertainment and sports venue and enhance the entertainment and cultural opportunities in downtown and the region. The proposed terms provide for private stadium financing with public support without putting the general fund at risk, and while providing economic benefits to the City, including sales taxes, property taxes, parking revenue, and jobs.

**Financial Considerations:** If the project moves forward, staff will present Council with recommendations on the City’s financial obligations as summarized below.

The stadium project would be privately financed by the Investor Group. The City will waive the costs associated with the stadium building-permit-related administrative, processing, and inspection fees and charges, estimated at $1.8 million. The City would reimburse the Investor Group for an amount equal to the City-imposed building excise taxes paid on the stadium construction pursuant to Chapter 3.36 of the Sacramento City Code, estimated at $181,000. The City would reimburse the Investor Group for any use-tax generated by the project and received by the City. A similar arrangement with the construction of the Golden 1 Center generated approximately $457,000.

Area-wide infrastructure would be privately financed by the Investor Group. The City would pursue the establishment of an Enhanced Infrastructure Financing District (EIFD) to reimburse the Investor Group for privately-financed infrastructure identified in an Infrastructure Finance Plan approved by the EIFD. The EIFD’s contribution to infrastructure costs would be limited to new incremental property tax revenue that was directly derived from the stadium and other
development proposed for approximately 31 acres of the Railyards. Reimbursement would not exceed the inflation-adjusted cost of the infrastructure improvements minus any publicly funded infrastructure grants. The City has no financial obligation if insufficient incremental property tax revenue generated is inadequate to cover infrastructure costs.

The City would waive reimbursement for municipal services for off-site police, fire, emergency medical services, traffic control, and code enforcement for MLS events for up to a maximum of $300,000 per year for a ten-year period. If City municipal service costs exceed $300,000 in any fiscal year, the Investor Group would reimburse the City. The $300,000 per year is the maximum annual amount. The projected amount is expected to be lower.

Local Business Enterprise (LBE): None required at this time. However, under the preliminary terms of agreement, Investor Group in cooperation with its general contractor, would establish goals for regional business and employment programs as described above.
**Background:** SSEH holds the franchise rights for Sacramento Republic FC, a professional minor league soccer team currently playing in the United Soccer League (USL). USL awarded Sacramento an expansion franchise in December 2012. Republic FC played its first USL game on March 29, 2014. In its inaugural season, Republic FC demonstrated significant success both on and off the pitch. On the business side, Republic FC set new league records in several categories, including most notably overall attendance, season ticket sales, merchandise sales, and corporate sponsorship revenues. Republic FC has shared that success with the community by working with hundreds of non-profits and other charitable organizations in the Sacramento region to promote health and education, especially with the undeserved youth, raising funds and awareness for charitable initiatives, and directly donating cash and in-kind contributions. On the pitch, Republic FC placed second in the league during the regular season and went on to win the 2014 USL Pro Championship. Republic FC has made the playoffs in every subsequent season and continues to be one of the most successful franchises on and off the field in USL history.

Matriculation from the USL level to MLS level has been a common occurrence in recent years, with several cities – including Seattle, Portland, Vancouver and Orlando and most recently, in Cincinnati and Nashville, - successfully transitioning from USL to MLS after demonstrating viability and strength as markets for professional soccer. Republic FC has modeled its activities after previous USL success stories in the hopes of following their pathway into MLS.

Several key factors for MLS in the award of an expansion team include:

- an established local fan base
- a market area of sufficient capacity to support the team
- an MLS-caliber soccer-specific stadium or approved plans for a stadium
- a qualified and committed team owner with the financial capacity to invest in a team and stadium on a long-term basis

The Republic FC fan base, the Sacramento market area, the proposed ownership group, and the attached terms for a new stadium fulfill these key factors for the award of an expansion team. It is anticipated that the next MLS Board of Governor’s meeting will be held on April 18, 2019, which will include discussions about league expansion. It is expected that MLS will consider Sacramento in that deliberation as a prime market for its expansion.
RESOLUTION NO. 2019-

Adopted by the Sacramento City Council

APPROVING THE SACRAMENTO MAJOR LEAGUE SOCCER STADIUM
PRELIMINARY TERM SHEET

BACKGROUND

A. Major League Soccer (MLS) is evaluating options for the award of expansion team opportunities to competing cities throughout the United States.

B. An investor group led by Ron Burkle (Investor Group) seeks an award of an MLS expansion team in Sacramento.

C. To be awarded an expansion team, an MLS-caliber stadium must exist or be constructed to host the team.

D. There is no existing stadium in the City of Sacramento that meets MLS standards and a new stadium must be constructed to secure an expansion team.

E. A preliminary term sheet is desired by MLS to provide evidence that there is cooperation between the expansion team applicant and the host city.

F. The attached Sacramento Major League Soccer Stadium Preliminary Term Sheet is a non-binding agreement that demonstrates cooperation between the City and the MLS applicant. It serves as a good faith agreement for further preparation of definitive agreements, and future actions by and between the City and Investor Group for the development of a new multi-purpose stadium, subject to all environmental considerations.

G. The Preliminary Term Sheet would only be effective if MLS awards an expansion team and Investor Group consummates the acquisition of the team.
BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:

Section 1. The Sacramento Major League Soccer Stadium Preliminary Term Sheet
between the City of Sacramento and Investor Group, attached as
Exhibit A, is approved.

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   Exhibit A - Sacramento Major League Soccer Stadium Preliminary Term Sheet
The City of Sacramento (City), in recognition of the public benefits to be derived as outlined herein, and an investor group led by Ron Burkle, have reached a preliminary agreement on a public-private partnership that would result in the development of a state-of-the-art, outdoor multi-purpose stadium and related infrastructure in the Downtown Sacramento Railyards (Stadium). Mr. Burkle has entered into an agreement with Sacramento Soccer and Entertainment Holdings (SSEH) to acquire the controlling interest in Sacramento’s professional minor league soccer team, Sacramento Republic FC. The new ownership group, which would retain several local Sacramento partners from Sacramento Republic FC, is hereinafter collectively referred to as the Investor Group. The Investor Group has reached an agreement with Downtown Railyard Venture, LLC (DRV) to acquire the Stadium site and additional property adjacent to the Stadium for ancillary real estate development purposes. The transactions contemplated above are contingent upon the award of an Major League Soccer (MLS) expansion team (Team) as described below.

The Investor Group is actively pursuing an MLS expansion team. MLS is evaluating expansion opportunities in several cities, including Sacramento. This Preliminary Term Sheet, if approved by the City Council, will be submitted to MLS to assist it in its ongoing due diligence and will only be implemented if MLS awards the Investor Group the Team. If MLS awards the Team, Investor Group would use an affiliated entity to acquire, develop and construct the Stadium (Soccer Stadium Co); an affiliated entity to operate the Team (TeamCo); and possibly other related entities to develop ancillary real estate adjacent to the Stadium. The definitive documents will identify the legal entities participating in the proposed transaction.

This Preliminary Term Sheet sets forth the key terms, process, and framework by which the parties agree to negotiate definitive documents and potential approvals to be considered by the City regarding the potential location, financing, ownership, design, development, construction, operation, use, and occupancy of a new, first-class, state-of-the-art, outdoor multi-purpose stadium that will serve as the home of the Team and will also host concerts, sporting events, community-oriented events, and numerous other events. The parties agree to prepare definitive legal documents that contain the basic terms set forth herein with other agreed terms consistent with this Preliminary Term Sheet that are customarily included in similar agreements for the location, financing, ownership, design, development, construction, operation, use, and occupancy of comparable facilities. The parties intend that the planning, design, development, and construction of the Stadium, along with associated infrastructure, will be led by Soccer Stadium Co, which will have final decision-making authority for that process (with the exception of public infrastructure), subject to City review and the provisions included herein, but that the entire process be a cooperative, mutual endeavor in which the parties actively participate and work together in good faith and with due diligence.

Although this Preliminary Term Sheet contains the proposed, non-binding framework of a potential transaction that the City has agreed to process, the parties agree that no obligation to enter into definitive transaction documents, or any transaction, shall exist and no project or definitive transaction documents shall be deemed to be approved until after (i) the relevant project components are reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA), (ii) any additional conditions or changes based on the CEQA review have been resolved in a manner acceptable to the City and the Investor Group, and (iii) all required permits and approvals have been obtained by the parties in accordance with applicable laws and regulations.
## Parties

City of Sacramento (City)

Investor Group – Parent company that owns and controls affiliates described herein (and possibly others).

Soccer Stadium Co – affiliate responsible for acquiring, owning, developing, constructing, and operating the Stadium.

TeamCo – affiliate responsible for operating the Team.

Note: The definitive legal documents will identify the legal entities formed by Investor Group to acquire the operating rights to the Team, develop the Stadium and perform the other obligations anticipated by this Preliminary Term Sheet. For example, if Soccer Stadium Co or TeamCo is identified under this Preliminary Term Sheet as the responsible entity, either that entity, the Investor Group, or another Investor Group-controlled entity will perform that obligation, as set forth in the definitive documents.

### Stadium Ownership

The Stadium and the land on which the Stadium will be developed shall be owned by Soccer Stadium Co. The ownership structure shall be detailed in the definitive legal documents, which may include appropriate refinements to the terms in this Preliminary Term Sheet.

### Stadium Location

Soccer Stadium Co is responsible for assembling a development site sufficient to build the Stadium and event parking. The Stadium and event parking are proposed to be located at the Railyards on property currently owned or controlled by DRV, and on other parcels to be acquired or leased by Soccer Stadium Co, as necessary. See Exhibit 1 for a map that illustrates the Stadium location.

### Stadium Description

The Stadium shall be a new, first-class, state-of-the-art, outdoor multi-purpose stadium that will serve as the home of the MLS Team, and will also host concerts, sporting events, community-oriented events, and numerous other events that Soccer Stadium Co may elect to host at the Stadium, in its discretion. Soccer Stadium Co seeks to obtain LEED-equivalent energy and environmental design for the Stadium to the extent feasible. The Stadium shall be consistent with the Site Plan and Design Review approved by the City Council on November 10, 2016 (Resolution No. 2016-0388).

See Exhibit 2 for a summary description of the Stadium’s preliminary program elements. The definitive agreements will contain a more detailed description of program elements.
Stadium Sources and Uses of Funds

Except as otherwise specified herein, the Investor Group shall be responsible for securing its financing and other funding sources required for the planning, construction, and development of the Stadium. The Stadium construction costs are currently estimated at $252.2 million. This cost estimate does not include infrastructure costs.

Stadium Development

The City and the Investor Group intend to work together in a collaborative and cooperative manner to develop the Stadium in a commercially reasonable manner. Investor Group shall be responsible for, and shall lead all phases of the planning, design, land acquisition, development, and construction of the Stadium and related infrastructure. The City is committed to processing all Stadium construction permits and other required approvals in a timely and efficient manner given the significance of the project and its benefit to the City and region.

The Stadium preliminary program is contained in Exhibit 2, which sets forth the intended size and components to be implemented through the design and construction of the Project. The Stadium shall be constructed in accordance with the program elements and the Quality Standard (as defined below), subject to recognition of the overall size of the Stadium. The “Quality Standard” for the Stadium shall be first-class and state-of-the-art, comparable to other MLS facilities, including Children’s Mercy Park (Kansas City, Kansas), Allianz Field (St. Paul, Minnesota), Audi Field (Washington D.C.), and Orlando MLS Stadium (Orlando, Florida). The standard of quality and design of the project shall be comparable, taken as a whole, to the standard of quality used in the design and construction of the facilities named above, or a new or different list of facilities to which the Parties agree after the date of this Preliminary Term Sheet.

Notwithstanding the foregoing, the City shall retain its full discretion regarding the granting of any and all necessary approvals required under the law, but will not unreasonably withhold, condition or delay its approval of any such approvals.

Stadium Schedule

The City and the Investor Group shall work cooperatively and make all commercially reasonable efforts to open the Stadium as soon as reasonably possible based on the MLS expansion team decision, and shall promptly after the date hereof agree upon a schedule of milestones regarding CEQA (as applicable), permits, and other important events to meet such timetable.

The City agrees to assign the appropriate planning, engineering, building, safety, and other staff to enable the parties to achieve such timeline.
| Pre-Development Expenses | Soccer Stadium Co shall be responsible for all expenses associated with pre-development, including but not limited to all architectural, geo-tech, engineering, environmental, market studies, and other costs related to the Stadium development. Soccer Stadium Co shall pay all fees and costs normally paid by a developer for the processing of a private project of this type, except for internal (non-third party) City processing and inspection fees (building permit inspection fees, plan review fee, technology fee, and planning review fee), which the City has agreed to absorb. The City shall be responsible for all other City staff time expended for pre-development and development of the Stadium (for example, executive-level management and general in-house legal support).

Pursuant to Chapter 18.52 of the Sacramento City Code, Sacramento Downtown Railyard Stadium specific fees (on-site infrastructure fee, I-5/Richards interchange fee, community facilities fee, and PFF administration fee) shall be deferred until the earliest to occur of (a) the initiation of final inspection of the Stadium, (b) prior to the expiration of the building permit for the project, or (c) three years from the effective date of the deferral agreement, as permitted in Chapter 18.52.

The City shall rebate to Soccer Stadium Co within a reasonable period of time an amount equal to the City-imposed building excise taxes paid by Soccer Stadium Co on the Stadium construction pursuant to Chapter 3.36 of the Sacramento City Code.

Each party shall be responsible for paying for its third-party consultant costs following execution of this Preliminary Term Sheet, unless the scope of the City’s participation or obligations changes such that the City requires consultant services beyond those normally required for a project of this type, in which case the Parties shall execute a pre-development expenses reimbursement agreement. |
| Business Cooperation Program – Use Tax Rebate | Soccer Stadium Co shall require all contractors and subcontractors performing any work on the Stadium (including the Stadium contractor, architect, pre-construction consultant, and owner’s representative) to perform use tax self-accrual by obtaining a Use Tax Direct Payment Permit from the State Board of Equalization, thereby ensuring that all use taxes generated during the construction period in connection with all eligible purchases of materials, fixtures, furniture, machinery, equipment, and supplies, for the Stadium are allocated directly to the City, and the City receives its full share of the use taxes payable in connection therewith. Upon completion of the Stadium, and following a reasonable period for the City to confirm/validate the additional use taxes received by the City in connection with the construction of the Stadium through this approach (as compared to amount that would have been received by the City without this approach), the City shall rebate to Soccer Stadium Co an amount equal to the additional amount of use tax directly generated by the construction of the Stadium and documented through the Use Tax Direct Payment Permit process. Per State regulations, this only applies to each contractor/subcontractor whose contract is $5.0 million or more. |
### Completion Guarantee and Cost Overruns

Soccer Stadium Co shall use commercially reasonable efforts to cause the general contractor responsible for the construction of the Stadium to provide a separate, written project completion guarantee(s) consistent with the schedule referred to above, and the Investor Group shall provide cost-overrun protection covering all elements of the development, construction, and delivery of the Stadium, consistent with all applicable MLS and financial industry standards. Such guarantees will be consistent with industry standards.

### Regional Business and Employment Programs

To enhance the economic benefits to the region and its residents, and to provide for the safe, timely, and cost-effective construction and operation of the Stadium, Soccer Stadium Co and its selected construction contractor shall develop regional business and employment goals and programs. These goals and programs shall be generally consistent with the programs used in conjunction with the construction of the Golden 1 Center. The effort shall be led by Soccer Stadium Co and its selected general contractor for Stadium construction. Programs shall be established in partnership with community stakeholders and the City. The effort shall include at a minimum:

- Construction apprenticeship programs, including specific goals and programs for recruiting and hiring of local disadvantaged workers into apprenticeship programs.
- Specific goals and programs for hiring local and small business enterprises for professional services, construction, and supplies.
- Outreach, education, and training workshops for recruitment of disadvantaged workers, qualified subcontractors, and targeted businesses.
- Approaches to reduce entry barriers and augment hiring pathways to match local small business capacities.

### Disadvantaged / Youth Hiring

Following the opening of the Stadium, Soccer Stadium Co and TeamCo shall use commercially reasonable efforts to develop and implement programs to recruit, train, and employ disadvantaged persons and youth within Sacramento.

### CEQA

As required by law, the City retains the sole and independent discretion as the lead agency to, among other things, balance the benefits of the project elements against any significant environmental impacts prior to taking final action if such significant impacts cannot otherwise be avoided, and determines not to proceed. No legal obligations to approve the project elements, any required permits, or the transaction will exist unless and until the parties have negotiated, executed, and delivered definitive agreements based upon information produced during any CEQA environmental review process and on other public review and hearing processes, subject to all applicable governmental approvals, including CEQA (as applicable).
<p>| <strong>Non-Relocation – Team</strong> | The Team shall enter into a binding and enforceable stand-alone non-relocation agreement with the City that includes specific performance and injunctive relief provisions, pursuant to which the Team will irrevocably and unconditionally commit and guarantee to play all its home pre-season, regular season, and post-season games at the Stadium for a term of 35 years subject to a limited number of league-approved neutral site games and other customary exceptions, including “untenantability periods” (e.g., the period following any damage or destruction to the Stadium, condemnation and other force majeure events). The non-relocation agreement shall contain further customary terms that prohibit the Team from relocating from the City and require the Team to maintain its MLS membership during such term. During the term of the non-relocation agreement, the Team shall not relocate from the City, shall not apply to MLS to transfer to another location outside of the City, shall not enter into or participate in any negotiations or discussions with, or apply for, or seek approval from, third parties with respect to any agreement, legislation, or financing that contemplates or would be reasonably likely to result in, any breach of the non-relocation agreement, and shall have no right to terminate the non-relocation agreement during the term of the lease agreement, in each case except as provided in the definitive non-relocation agreement. |
| <strong>Stadium Management</strong> | Soccer Stadium Co shall manage and operate the Stadium. Soccer Stadium Co may elect to hire a private management company experienced in the management of comparable facilities to manage the Stadium. The Stadium shall be operated in a first-class manner, similar to and consistent with that of other comparable facilities that serve as the homes of MLS teams. Soccer Stadium Co shall be solely responsible for all aspects of the Stadium operation, including the booking of non-Team events. |
| <strong>Capital Contribution</strong> | As between the City and Soccer Stadium Co, Soccer Stadium Co shall be responsible for all costs associated with the development of the Stadium, including Stadium parking pursuant to Exhibit P of the Development Agreement, all required on-site and off-site infrastructure (except to the extent DRV is responsible for such infrastructure), and other related project expenses, except as noted herein. The Investor Group shall have the right, but not the obligation, to secure third party debt financing and/or third party equity investment for its capital contribution. |
| <strong>Ancillary Real Estate Development</strong> | The Investor Group has reached a contingent agreement with DRV to acquire additional property adjacent to the Stadium for ancillary real estate development purposes. The Investor Group acknowledges the strategic and economic importance of this ancillary real estate development opportunity to the City and the continued efforts to redevelop the Downtown Sacramento Railyards, and shall use commercially reasonable efforts to develop the property as promptly as practicable after the Stadium opening date, taking into account resources necessary to develop and operate the Stadium. The City is committed to processing all construction permits and other approvals required for the ancillary real estate development in a timely and efficient manner given the significance of the project and its benefit to the City and region. |
| <strong>Enhanced</strong> | As provided under the California Government Code, the City and the Investor Group will work together to ensure that the Stadium and ancillary real estate development are developed and operated in a manner consistent with the City’s goals for economic development and community benefit. |
| <strong>Infrastructure Financing District</strong> | Group shall work cooperatively to establish an Enhanced Infrastructure Financing District (EIFD) and adopt an Infrastructure Financing Plan (IFP), for a term as permitted in the California Government Code, or the termination of the definitive agreement(s), whichever is earlier, acceptable to the City in its sole discretion. The proposed recommended boundaries of the EIFD are illustrated in Exhibit 3. The district will be established for the purposes of reimbursing Soccer Stadium Co for privately-funded costs associated with infrastructure improvements included in the Updated Railyards Finance Plan as specifically outlined and limited in Exhibit 4 and required for the Stadium and other development within the district boundaries, but shall be subordinate to commitments already in place or currently contemplated. Soccer Stadium Co shall be responsible for, or cause others to be responsible for, securing its financing and other funding sources required to design and construct the required area-wide infrastructure currently estimated at $27.2 million. |
| <strong>Digital Signage Plan</strong> | The City and Soccer Stadium Co shall work to develop a comprehensive digital signage program. The City acknowledges the strategic and economic importance of the digital signage program to Soccer Stadium Co and will work to implement a program that is acceptable to the parties. The specifics of the proposed program shall be outlined in the definitive legal documents. City staff shall present to City Council for consideration the proposed program and required amendments (if any) to the City's sign code to provide for up to five digital sign locations. City staff shall also work with Soccer Stadium Co towards the adoption of enabling ordinances to allow for these signs, including signs as provided by SB31 under section 5272 of the California Business and Professions Code. The City will further cooperate in securing necessary planning approvals, including CEQA review and City permit processing, but shall not provide any guarantees or assurances regarding the number, availability or suitability of the sign locations. Any signage rights shall exist for a term of 35 years, or the termination of the definitive agreement(s), whichever is earlier. Soccer Stadium Co shall be responsible for securing all State of California approvals, site control (if any), financing, and construction for the development of the signs. Soccer Stadium Co shall be responsible for all operating and maintenance costs relating to such signage, including the removal of the signs at the end of the term. |
| <strong>Use and Occupancy</strong> | The Stadium shall serve as the home of the Team and will also host concerts, sporting events, community-oriented events, and numerous other events that Soccer Stadium Co elects to host, subject to limitations outlined in the Conditional Use Permit and Noise Ordinance Variance approved by the City Council November 10, 2016. The parties shall use commercially reasonable efforts to actively market the Stadium to promote activity and economic development in the area. |
| <strong>Public Sector Tickets</strong> | TeamCo shall provide the City ten club seats (which may be divided into a group of six and four, and shall include amenities provided to club seat season ticket holders in the same section), and associated parking (the locations of the seats and parking to be mutually agreed upon) to all ticketed events held at the Stadium each year for any official City purpose during the term of the non-relocation agreement. |</p>
<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agreement</td>
<td>Distribution of tickets shall be subject to the City’s ticket distribution policy.</td>
</tr>
<tr>
<td>Naming Rights</td>
<td>Any name proposed to be associated with the Stadium or any other project elements, as applicable, shall be tasteful and not be a cause for embarrassment to the City and shall not include any companies primarily known for tobacco products, guns, adult entertainment, marijuana, other non-pharmaceutical drugs, etc.</td>
</tr>
<tr>
<td>Stadium Parking</td>
<td>Soccer Stadium Co and related entities shall provide and manage parking for the Stadium in accordance with the requirements of: (a) the Amended and Restated Development Agreement For Sacramento Railyards Project, between the City of Sacramento and Downtown Railyard Venture, LLC as approved on November 10, 2016; (b) the Conditional Use Permits and Site Plan and Design Review for Stand-Alone Parking Facilities approved by the City Council November 10, 2016; and (c) all relevant parking codes and standards.</td>
</tr>
<tr>
<td>Training Complex</td>
<td>The Investor Group shall consider, in good faith, the development of the Team’s primary training complex in the City of Sacramento. The training complex would include a new, first-class, state-of-the-art facility that shall serve as the primary training complex for the Team, host an MLS Youth Academy program, and provide for priority community use (Training Complex). Should the Investor Group (or Soccer Stadium Co) develop the Training Complex in the City of Sacramento within two years of the announcement of the award of the Team, the Investor Group (or Stadium Soccer Co) will identify a suitable site for one additional digital sign (six total), and City staff shall present to City Council for consideration the proposed program and required amendments (if any) to the City's sign code to provide for the additional digital sign location in consideration of the substantial community benefits the Training Complex will provide.</td>
</tr>
<tr>
<td>Property Taxes</td>
<td>Soccer Stadium Co shall pay any and all property taxes (including taxes on possessory interests) associated with all real property interests in the Stadium, and any other Soccer Stadium Co developments (e.g. ancillary development, Training Complex, digital signs, etc.). Soccer Stadium Co shall be responsible for its own personal property and any other taxes related to its operations and income.</td>
</tr>
<tr>
<td>Targeted Taxes</td>
<td>The City shall not impose, and shall cooperate with any efforts of the Investor Group and related entities to prevent any other public entities from imposing, on all or any portion of the Stadium or the Team any targeted or special taxes, assessments, or surcharges, including special district taxes, assessments or surcharges (except for those already in place or supported by the Investor Group and related entities). Investor Group and related entities, and its users shall be subject to all City taxes or assessments of general applicability.</td>
</tr>
</tbody>
</table>
### Annual Operating Expenses

Soccer Stadium Co and TeamCo shall (pursuant to a separate arrangement between Soccer Stadium Co and TeamCo) be responsible for all annual operating expenses and routine maintenance and repairs (Annual Operating Expenses) of the Stadium. By way of illustration and not limitation, Annual Operating Expenses include:

- Salaries, wages, and benefits
- Routine maintenance
- Routine repairs
- Insurance
- Utilities
- Supplies and equipment
- Human resources
- Training
- Contract labor
- Setup/tear down
- Stadium marketing/promotion
- Premium seating marketing/promotion
- Non-event security
- Non-event cleaning
- Telephone
- Professional services (e.g., legal, accounting, etc.)
- Travel/lodging
- Equipment rental
- Taxes/permits/fees/licenses
- Dues and subscriptions
- Public relations
- Common area maintenance/landscaping
- Unreimbursed event expenses
- Unfunded pre-opening expenses (Year 1)
- Others

The City shall have no responsibility for any operating expenses of the Stadium (except for incremental, out-of-pocket expenses associated with City Events).

### Capital Repairs

Soccer Stadium Co shall be responsible for all Stadium capital repairs, replacements, and improvements (Capital Repairs). Identification of Stadium capital repairs, replacements, and improvements shall be determined by Soccer Stadium Co. However, Soccer Stadium Co shall maintain the Stadium in a first-class manner so as to cause it to remain in a condition comparable to that of other MLS facilities of similar size, design, and age, ordinary wear and tear excepted.

The City shall have no responsibility for any Capital Repairs of the Stadium.
### Municipal Services

Customary police, traffic control, and other similar City-based services (Municipal Services) for Stadium events shall be provided by the City at a general level and manner appropriate for Stadium events and, with respect to Team Events (defined as MLS pre-season, regular season, and playoff matches), in compliance with MLS rules and standards. For a period of ten years after the opening of the Stadium, the City shall be responsible for any and all costs incurred by the City for Municipal Services provided for all Team Events on terms to be set forth in the definitive legal documents, such costs may not exceed the “Municipal Cost Cap” (defined below) in any given year. TeamCo shall be responsible for any amount in excess of the Municipal Cost Cap in any given year. As used herein, “Municipal Cost Cap” means $300,000 for each twelve (12) month period after the opening of the Stadium. The City’s responsibilities shall be limited to off-site services such as the public right of way, and shall not extend onto private property including the Stadium, the Stadium property, or in the parking lots. TeamCo shall be responsible for any and all costs for any services provided in connection with Team Events inside the Stadium, on the Stadium property, and in the parking lots. Prior to the completion of the Stadium and after the initial ten-year period following completion of the Stadium, TeamCo shall be responsible for any and all costs incurred by the City for Municipal Services provided for all Team Events on terms to be set forth in the definitive legal documents.

Soccer Stadium Co, TeamCo and the City shall cooperatively evaluate appropriate public and private staffing levels for police/security, traffic control, fire prevention, emergency medical, street cleaning/trash removal, and other similar services based upon anticipated attendance for Stadium Events; however, the City shall have final approval over appropriate staffing and service levels. The City shall use a "reasonableness standard" in determining appropriate staffing and service levels. In the event that the parties cannot agree on appropriate staffing and service levels, Soccer Stadium Co shall have the right to submit such dispute to a mutually agreed upon third party, independent mediator or to arbitration for accelerated dispute resolution. Notwithstanding the foregoing, if the City determines that an emergency public safety issue exists with respect to a particular Stadium Event, the City shall have the right to determine and impose the staffing level for that event. For events held at the Stadium other than Team Events, Soccer Stadium Co shall be responsible for any and all costs incurred by the City for Municipal Services provided for such events. Soccer Stadium Co shall be granted similar rights as TeamCo as outlined above with respect to events other than Team Events. The terms and costs of these Municipal Services for events other than Team Events shall be provided on terms that are no less favorable than those provided for Team Events, taking into consideration the expected attendance and nature of the event.
Team Name

The Team shall include “Sacramento” as the first part of the Team’s name. For example, the Team must be named “Sacramento ______”. The Team may not include any other geographic, city, county, or state reference in the Team name. The Team shall reasonably reference Sacramento in public statements (whether marketing, advertising, or otherwise).

Corporate Headquarters

Soccer Stadium Co and TeamCo shall maintain its corporate headquarters within City limits during the non-relocation term (and any extensions).

Team Transfer

Before the execution of any definitive legal documents for the sale or other transfer of all or substantially all of the assets or equity of the Team (including the Team MLS membership – for which the City shall not have any consent right with respect to such transfer), the new owner must assume any and all obligations of this Preliminary Term Sheet. Except as provided above, any assignment of any party’s rights under this Preliminary Term Sheet is subject to the other party’s consent in its sole discretion.

Community Benefits

In addition to the benefits outlined herein, the Investor Group shall provide or cause related entities to provide community benefits as outlined in Exhibit 5. The community benefits outlined in Exhibit 5 shall be provided throughout the Sacramento region; however, the Investor Group shall make commercially reasonable efforts to maximize those benefits within the City of Sacramento.

Affordable Programs

The Team shall make reasonable efforts to provide attractive and meaningful programs to keep the ticket prices for MLS games held at the Stadium affordable for families in the Sacramento region.

MLS All Star Game

The Team shall request that the MLS host the MLS All-Star Game at the Stadium within three years after opening. The roles and responsibilities of the City, TeamCo, and Soccer Stadium Co shall be determined in the definitive legal documents.

Internet

Soccer Stadium Co shall provide the City with a banner (in form and location reasonably satisfactory to both Soccer Stadium Co and the City) on the Stadium website. The banner shall serve as a link to the City’s internet home page.

TeamCo shall provide the Stadium with a banner (in form and location reasonably satisfactory to City, Soccer Stadium Co, and TeamCo) on the Team’s website. The banner shall serve as a link to the Stadium’s internet home page.

Non-Discrimination

Soccer Stadium Co agrees to comply with the City’s non-discrimination code requirements.

Confidentiality

The City agrees not to disclose, and to cause its affiliates and representatives not to disclose, to any third party any financial information or other confidential information provided to it pursuant to this Preliminary Term Sheet or the definitive legal documents, to the extent permitted by law.
| MLS Approvals | The parties acknowledge that the definitive transaction documents will be subject to the approval of the MLS. |
EXHIBIT 1
STADIUM LOCATION
EXHIBIT 1
STADIUM LOCATION (CONTINUED)
EXHIBIT 1
STADIUM LOCATION (CONTINUED)
## EXHIBIT 2
### PRELIMINARY PROGRAM DESCRIPTION

<table>
<thead>
<tr>
<th>Soccer Capacity</th>
<th>20,174 (up to 22,000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suites</td>
<td>30</td>
</tr>
<tr>
<td>General Admission Seats (includes Supporter Section seating)</td>
<td>16,514</td>
</tr>
<tr>
<td>Premium Seats (Suites, Club seats, Loge seating)</td>
<td>3,660</td>
</tr>
<tr>
<td>SRO</td>
<td>600</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Space Type</th>
<th>Gross Square Feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Classification 1: Spectator &amp; Stadium Bowl Facilities</td>
<td>102,772</td>
</tr>
<tr>
<td>Classification 2: Premium Facilities</td>
<td>72,500</td>
</tr>
<tr>
<td>Classification 3: Circulation</td>
<td>96,500</td>
</tr>
<tr>
<td>Classification 4: Food, Retail, &amp; Spectator Facilities</td>
<td>34,769</td>
</tr>
<tr>
<td>Classification 5: Team Facilities &amp; Training Area</td>
<td>9,688</td>
</tr>
<tr>
<td>Classification 6: Media Facilities</td>
<td>7,400</td>
</tr>
<tr>
<td>Classification 7: Event Facilities &amp; Operations Support</td>
<td>58,000</td>
</tr>
<tr>
<td>Classification 8: Standing Room Only decks</td>
<td>7,000</td>
</tr>
<tr>
<td>Classification 9: Mechanical, Electrical, Vertical Circulation, Storage</td>
<td>37,371</td>
</tr>
<tr>
<td>Estimate of Gross Building Square Footage (G.S.F.)</td>
<td>426,000</td>
</tr>
</tbody>
</table>

Source: Soccer Stadium Co
EXHIBIT 3
ENHANCED INFRASTRUCTURE FINANCING DISTRICT BOUNDARIES
### EIFD Infrastructure Projects

<table>
<thead>
<tr>
<th>Project Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dos Rios Striping</td>
</tr>
<tr>
<td>6&lt;sup&gt;th&lt;/sup&gt; Street Railyards to North B</td>
</tr>
<tr>
<td>North B 7&lt;sup&gt;th&lt;/sup&gt; to 8&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
<tr>
<td>North B 8&lt;sup&gt;th&lt;/sup&gt; to 10&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
<tr>
<td>Railyards Blvd 7&lt;sup&gt;th&lt;/sup&gt; to 10&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
<tr>
<td>10&lt;sup&gt;th&lt;/sup&gt; Street (on site)</td>
</tr>
<tr>
<td>Summit Tunnel 6&lt;sup&gt;th&lt;/sup&gt; to 7&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
<tr>
<td>8&lt;sup&gt;th&lt;/sup&gt; Street</td>
</tr>
<tr>
<td>Trunk Sewer 7&lt;sup&gt;th&lt;/sup&gt; to 10&lt;sup&gt;th&lt;/sup&gt;</td>
</tr>
<tr>
<td>Summit Tunnel Paseo</td>
</tr>
<tr>
<td>East RT Station</td>
</tr>
</tbody>
</table>
1. Charitable Contributions: Cash contributions on average of $75,000 per year to Sacramento charities and non-profits. Total cash contribution of approximately $4,500,000.

2. Free Community Youth Soccer Clinics: Club will host 1,000 youth participants per year at club clinics in underserved neighborhoods in Sacramento (estimated at $50 per clinic). Total cash value of $3,000,000.

3. Complimentary Tickets: Donations of 100 tickets per game for use of Sacramento charities and non-profits. Total donated value of $3,600,000.

4. Youth Club Non-Profits Donations of Equipment and Gear: Donations of equipment and gear valued at $50,000 per year to an estimated 500 deserving Sacramento youth recipients per year. Total estimated value of $3,000,000.

5. Soccer Field and Futsal Court Construction: Annual builds or upgrades of one soccer field or futsal court in Sacramento for public use. Total value of $1,000,000.

6. Volunteer Hours: Club staff commitment of 2,500 volunteer hours per year (average of $20 per hour) to Sacramento charitable organizations. Total estimated value of $3,000,000.

7. Food Service Fundraising Opportunities: Fundraising of $75,000 per year to Sacramento non-profit organizations via food service concessionaire fundraising opportunities. Total expected contribution of $4,500,000.

8. Public access to the open space, park and trail areas when the Stadium and site is not scheduled for an event.

Note: Total estimated values, where appropriate, based on 35-year term and 3% annual escalation.