

# DALLAS COWBOY STADIUM



## FACILITY FINANCE PROJECT

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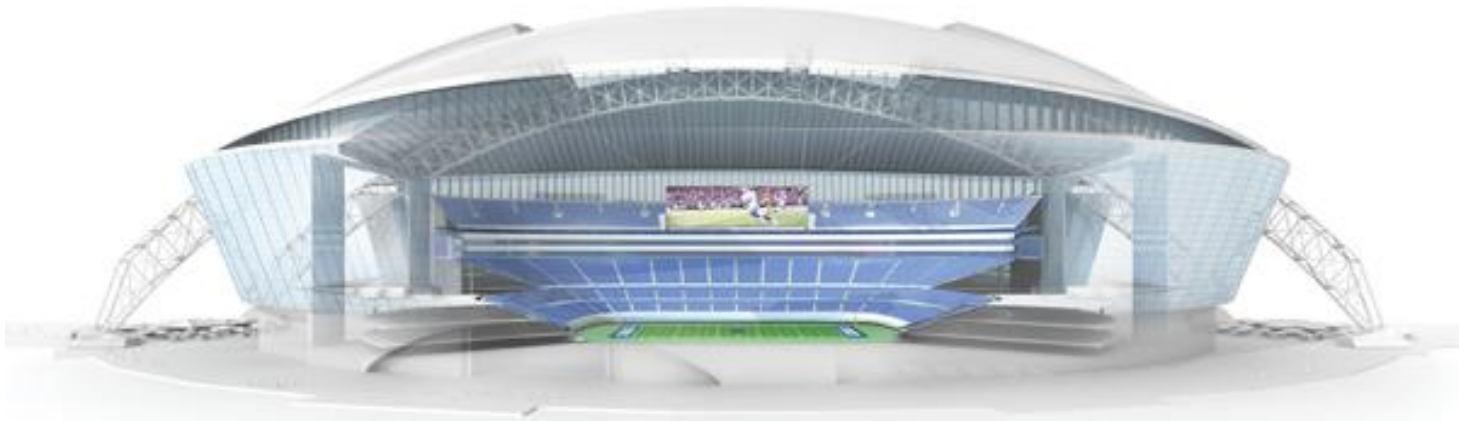
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# STADIUM INTRODUCTION

The Dallas Cowboys opened a new chapter in their legendary history with the opening of Cowboys Stadium in 2009. For more than 30 years, the Cowboys played at Texas Stadium, one of the most recognizable stadiums in football. However, just like every other team in the NFL, the Cowboys wanted a new football stadium to increase revenue. As far back as 1994, owner of the Cowboys, Jerry Jones, began looking into the possibility of a new Texas Stadium.

It took nearly a decade for the team to find a suitable site for construction, settling on a location near the Ballpark in Arlington, home of the Texas Rangers (MLB). Team officials traveled the country, visiting some of the newest NFL stadiums in order to develop and design the greatest stadium in the league.

Designed by HKS Architects, Inc. Cowboys Stadium is one of the most recognizable stadiums in all of sports. The exterior features a futuristic design that consists of a canted 800 foot glass wall. A pair of massive, 292 foot arches spans the length of the stadium, supporting the facility and the retractable roof. At each end-zone are glass retractable doors, 180 foot wide by 120 foot high.<sup>1</sup> They are the largest in the world and open or close in 18 minutes. Atop Cowboys Stadium is the retractable roof, that when open emulates the distinctive Texas Stadium opening/hole.

In order to finance construction of the \$1.15 billion stadium, Arlington voters approved a \$325 million bond in November 2004 that raised the city's sales tax by a half-cent, hotel occupancy tax by 2 percent and car rental tax by 5 percent. The NFL contributed \$78 million towards the stadium with the Cowboys paying the remaining amount.<sup>3</sup>

As fans enter Cowboys Stadium they receive panorama views of the field as it is 50 feet below street level. The stadium has main seating capacity of 80,000 but is expandable to seat nearly 100,000 fans for large events such as the Super Bowl.<sup>1</sup> The stadium seats are fastened onto long, aluminum rails bolted into the concrete. The molded seats take up 24 inches of space with small gaps between the chairs. The Cowboys can squeeze the seats closer together, adding one or two chairs per row to increase the seating capacity to nearly 100,000. On five levels there are 200 suites that include the Hall of Fame level that is just 21 rows from the playing field. There are 15,000 club seats surrounding the field offering additional features that are not found elsewhere throughout stadium.

The stadium also boasts a massive HD video-board, the largest in the world, which is suspended 90 feet above center field. The four screen HD video-board is 160 feet long by 71 feet high and runs from one 25 yard line to the other. Many amenities can be found at Cowboys Stadium including the Dallas Cowboys Hall of Fame and Pro Shop that allow fans to learn the history of their favorite team and buy merchandise.



# FUNDING SOURCES AND COST

The funding to build the Dallas Cowboy Stadium is unique, as two-thirds of construction costs were paid with private money — \$526 million from the team, which also borrowed \$78 million from the NFL. The additional third came from the city of Arlington, where voters in Arlington passed a \$325 million bond issue that raised the city's sales tax by .5 percent, hotel-occupancy tax by 2 percent and car-rental taxes by 5 percent. Additional financing for the stadium comes from ticket and parking taxes levied in and around the stadium.<sup>5</sup>

The actual bonds that require repayment that are indentified in this report are bonds received from the city of Arlington, and the loan from the NFL. All other funds were generated from the Dallas Cowboys team themselves and future tickets sales and lifetime rights to seats, to include money generated from parking taxes levied in and around the stadium, that are identifies as requiring repayment.<sup>5</sup>

Despite having to payback \$325 million to the city of Arlington, this report indicates that the Dallas Cowboys will pay of their loan one year earlier than the agreed upon 30 year loan at 4 percent interest. In addition to repaying the city of Arlington, the Dallas Cowboys will also able to repay the NFL in record time, settling their loan in just 21 years, at 8 percent interest.

Although the original costs to build the Dallas Cowboy stadium was \$650 million, it quickly became apparent that the construction costs would reach \$1 trillion, with the final price tag equating to \$1.2 trillion due to the unique design, construction and technology that went into the final product when Jerry Jones and the city of Arlington created Cowboy Stadium, the world's premier sports stadium.



## CONSTRUCTION FUNDING SOURCES BREAKDOWN

<b>Public Share</b>		
Arlington Bonds .5% sales tax	\$325,000,000	
Tarrant County Infrastructure	25,000,000	
<b>Total Public</b>	<b>\$350,000,000</b>	<b>29.2%</b>
<b>Private Share</b>		
Private Bonds 10% ticket tax and \$3 parking fee	\$148,000,000	
NFL G-3 Loan	\$76,000,000	
Bank of America Bonds Secured by Club Seat Options	\$350,000,000	
Cowboys' Cash Contribution	\$276,000,000	
<b>Total Private</b>	<b>\$850,000,000</b>	<b>70.8%</b>
<b>Total Stadium Cost</b>	<b>\$1,200,000,000</b>	<b>100.0%</b>

Source: 5 - <http://www.vanderbilt.edu/econ/faculty/Vrooman/cowboys-estimate.pdf>

## FINAL CONSTRUCTION COST BREAKDOWN ESTIMATE

Total Stadium Facility \$808,712,023

Total Site Development \$391,287,977

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Total Cost \$1.2 Billion



# PRELIMINARY CONSTRUCTION BUDGET

	Budget
<i>SF Total Structure</i>	<i>2,115,433</i>
<i>SF Footprint</i>	<i>414,272</i>
Excavation / Dewatering	\$ 14,528,269
Plaza Landscape/Hardscape	\$ 4,188,950
Foundations	\$ 12,196,862
Basement Walls	\$ 11,849,880
Access Tunnel to Event Level	\$ 4,460,304
Playing Field	\$ 2,860,167
Stadium Structure	\$ 63,684,636
Seating Bowl Structure	\$ 15,669,569
Roof Structure (Operable & Fixed)	\$ 107,086,927
<b><i>Total Structure Cost</i></b>	<b><i>\$ 236,525,564</i></b>
Exterior Skin	\$ 27,822,797
End Zone Build Out - Operable End Zone	\$ 4,364,260
<b><i>Total Skin Cost</i></b>	<b><i>\$ 32,187,057</i></b>
General Finish Out	\$ 25,767,722
Suite Finish Out	\$ 9,614,068
Misc Specialties	\$ 1,760,040
Food Service	\$ 9,509,277
Stadium Seating	\$ 6,385,760
Scoreboards / Video Boards	\$ 12,611,716
Audio / Visual Systems	\$ 7,349,144
Elevators / Escalators	\$ 7,500,000
<b><i>Total Finish Out Cost</i></b>	<b><i>\$ 80,497,727</i></b>
Mechanical Systems	\$ 68,209,733
Electrical Systems	\$ 27,222,033
<b><i>Total Systems Cost</i></b>	<b><i>\$ 95,431,766</i></b>
General Conditions(3.5%)	\$ 16,002,000
Fee / Bonds (Fee - 3% / Bonds - 1%)	\$ 17,305,991
Contingency (3.5% Construction / 3.5% Design)	\$ 33,456,507
Escalation	Not Included



<b>Total Stadium Contractor Fees / Contingencies</b>	\$	<b>66,764,498</b>
Architectural Design 3.5%	\$	17,919,933
Structural Design 1.75%	\$	8,959,966
MEP Design .8%	\$	4,095,995
Other Design 3.2%	\$	16,329,517
<b>Total Design Cost 9.25%</b>	\$	<b>47,305,411</b>
<b>Total Stadium Facility</b>	\$	<b>558,712,023</b>
Surface Parking (10,000spc)	\$	10,698,000
Cowboys Hall of Fame	\$	6,874,400
Fixtures Furnishings and Equipment (Stadium)	\$	4,000,000
Land Acquisition	\$	42,000,000
Utility Improvements	\$	8,853,000
On Site Road Improvements	\$	5,560,990
Grading & Hardscape	\$	6,513,000
Demolition & Remediation	\$	6,900,000
<b>Total Site Development</b>	\$	<b>91,399,390</b>
<b>Total Facility, Site &amp; Land Cost</b>	\$	<b>650,111,413</b>

### **Disclaimer**

The amounts contained in this Budget are preliminary. They may not be relied upon. They may be adjusted in the future. The final Budget will be based upon final plans for the Project prepared for and acceptable to the Dallas Cowboys Football Club.

Source: 6 - [http://www.arlingtontx.gov/cowboys/pdf/FINAL\\_Master\\_Agreement.pdf](http://www.arlingtontx.gov/cowboys/pdf/FINAL_Master_Agreement.pdf)

5 - <http://www.vanderbilt.edu/econ/faculty/Vrooman/cowboys-estimate.pdf>

As noted earlier, although the original costs to build the Dallas Cowboy stadium was \$650 million, construction costs came out to be \$1.2 trillion due to the unplanned costs and adoption of the unique design, construction and technology that makes the Dallas Cowboys Stadium a premium, world class sports stadium.



# CITY OF ARLINGTON REPAYMENT SCHEDULE

4 % interest, \$350,000,000 for 30 years = \$20, 240, 534.70 annual payments.

	Principle	Interest	Total Payment	Principal Remaining
				\$350,000,000.00
Year 1	\$6,240,534.70	\$14,000,000.00	\$20,240,534.70	\$336,000,000.00
2	\$6,800,534.70	\$13,440,000.00	\$20,240,534.70	\$329,199,465.30
3	\$7,072,556.08	\$13,167,978.61	\$20,240,534.70	\$322,126,909.22
4	\$7,355,458.33	\$12,885,076.37	\$20,240,534.70	\$314,771,450.89
5	\$7,649,676.66	\$12,590,858.04	\$20,240,534.70	\$307,121,774.23
6	\$7,955,663.73	\$12,284,870.97	\$20,240,534.70	\$299,166,110.50
7	\$8,273,890.28	\$11,966,644.42	\$20,240,534.70	\$290,892,220.23
8	\$8,604,845.89	\$11,635,688.81	\$20,240,534.70	\$282,287,374.34
9	\$8,949,039.72	\$11,291,494.97	\$20,240,534.70	\$273,338,334.61
10	\$9,307,001.31	\$10,933,533.38	\$20,240,534.70	\$264,031,333.30
11	\$9,679,281.36	\$10,561,253.33	\$20,240,534.70	\$254,352,051.94
12	\$10,066,452.62	\$10,174,082.08	\$20,240,534.70	\$244,285,599.32
13	\$10,469,110.72	\$9,771,423.97	\$20,240,534.70	\$233,816,488.59
14	\$10,887,875.15	\$9,352,659.54	\$20,240,534.70	\$222,928,613.44
15	\$11,323,390.16	\$8,917,144.54	\$20,240,534.70	\$211,605,223.28
16	\$11,776,325.77	\$8,464,208.93	\$20,240,534.70	\$199,828,897.52
17	\$12,247,378.80	\$7,993,155.90	\$20,240,534.70	\$187,581,518.72
18	\$12,737,273.95	\$7,503,260.75	\$20,240,534.70	\$174,844,244.77
19	\$13,246,764.91	\$6,993,769.79	\$20,240,534.70	\$161,597,479.87
20	\$13,776,635.50	\$6,463,899.19	\$20,240,534.70	\$147,820,844.36
21	\$14,327,700.92	\$5,912,833.77	\$20,240,534.70	\$133,493,143.44
22	\$14,900,808.96	\$5,339,725.74	\$20,240,534.70	\$118,592,334.48
23	\$15,496,841.32	\$4,743,693.38	\$20,240,534.70	\$103,095,493.16
24	\$16,116,714.97	\$4,123,819.73	\$20,240,534.70	\$86,978,778.19
25	\$16,761,383.57	\$3,479,151.13	\$20,240,534.70	\$70,217,394.63
26	\$17,431,838.91	\$2,808,695.79	\$20,240,534.70	\$52,785,555.71
27	\$18,129,112.47	\$2,111,422.23	\$20,240,534.70	\$34,656,443.25
28	\$18,854,276.97	\$1,386,257.73	\$20,240,534.70	\$15,802,166.28
29	\$15,802,166.28	\$632,086.65	\$20,240,534.70	(\$0.00)
	\$342,240,534.70	\$240,928,689.74	\$586,975,506.21	





# NFL REPAYMENT SCHEDULE

8 % interest, \$78,000,000 for 30 years = \$6,928,539.0 annual payments.

	Principle	Interest	Total Payment	Principal Remaining
				\$78,000,000.00
(\$6,928,539.80)				
Year				
1	\$688,539.80	\$6,240,000.00	\$6,928,539.80	\$77,311,460.20
2	\$743,622.99	\$6,184,916.82	\$6,928,539.80	\$76,567,837.21
3	\$803,112.83	\$6,125,426.98	\$6,928,539.80	\$75,764,724.38
4	\$867,361.85	\$6,061,177.95	\$6,928,539.80	\$74,897,362.53
5	\$936,750.80	\$5,991,789.00	\$6,928,539.80	\$73,960,611.72
6	\$1,011,690.87	\$5,916,848.94	\$6,928,539.80	\$72,948,920.86
7	\$1,092,626.14	\$5,835,913.67	\$6,928,539.80	\$71,856,294.72
8	\$1,180,036.23	\$5,748,503.58	\$6,928,539.80	\$70,676,258.50
9	\$1,274,439.12	\$5,654,100.68	\$6,928,539.80	\$65,022,157.82
10	\$1,726,767.18	\$5,201,772.63	\$6,928,539.80	\$59,368,057.14
11	\$2,179,095.23	\$4,749,444.57	\$6,928,539.80	\$53,713,956.46
12	\$2,631,423.29	\$4,297,116.52	\$6,928,539.80	\$48,059,855.78
13	\$3,083,751.34	\$3,844,788.46	\$6,928,539.80	\$42,405,755.10
14	\$3,536,079.40	\$3,392,460.41	\$6,928,539.80	\$36,751,654.42
15	\$3,988,407.45	\$2,940,132.35	\$6,928,539.80	\$31,097,553.74
16	\$4,440,735.51	\$2,487,804.30	\$6,928,539.80	\$25,443,453.06
17	\$4,893,063.56	\$2,035,476.24	\$6,928,539.80	\$19,789,352.38
18	\$5,345,391.61	\$1,583,148.19	\$6,928,539.80	\$14,135,251.70
19	\$5,797,719.67	\$1,130,820.14	\$6,928,539.80	\$8,481,151.02
20	\$6,250,047.72	\$678,492.08	\$6,928,539.80	\$2,231,103.30
21	\$2,231,103.30	\$178,488.26	\$6,928,539.80	(\$0.00)
	\$54,701,765.88	\$86,278,621.76	\$145,499,335.89	



# DALLAS COWBOY STADIUM REVENUE ESTIMATES

<b>Ticket Revenue</b>	<b># Seats</b>	<b>Price</b>	<b>Tickets</b>	<b>PV (.05,30)</b>
Reserved Seats (\$790, \$890, \$990, \$1250)	50,000	\$900	\$45,000,000	
Loge Seats (\$1250)	1,200	\$1,250	\$1,500,000	
Club Seats (\$1250/\$3400)	14,000	\$1,250	\$17,500,000	
Founders All Access (\$1,250/\$3400)	1,000	\$1,250	\$1,250,000	
Suite Seats (90%)((\$1250)	12,000	\$1,250	\$13,500,000	
<b>Total Tickets</b>	<b>78,200</b>		<b>\$78,750,000</b>	
<b>Visiting Team Share (34%)</b>			<b>\$26,775,000</b>	<b>\$411,600,000</b>
<b>Home Team Share (66%)</b>			<b>\$51,975,000</b>	<b>\$799,000,000</b>
<b>Suite Lease Premium</b>				
320 Suites (90%)((\$100,000 - \$500,000)	288 Suites	\$250,000	\$72,500,000	
<b>Suite Seat Tickets (shared ticket revenue)</b>	<b>12,000</b>	<b>\$1,250</b>	<b>13,500,000</b>	
Luxury Suite Premium (unshared)			\$59,000,000	\$907,000,000
<b>Club Seat Premium</b>				
Club Premium (\$3,400-\$1,250=\$2,150)	15,000	\$2,150	\$32,250,000	
<b>Visiting Team Share (VTS=34%)</b>			<b>\$10,965,000</b>	
G-3 Loan 9 years @ 5% repaid from VTS				\$76,000,000
<b>Net VTS years 10-30 @ 5%</b>				<b>\$92,600,000</b>
Home Team Share			\$21,285,000	\$327,200,000
<b>Personal Seat Options</b>				
Reserved Seat (\$2000, \$4000, \$5000)	34,000	\$4,000	\$136,000,000	
Loge Seat (\$12,000)	1,200	\$12,000	\$14,400,000	
Club Seat (\$16,000, \$30,000, \$50,000)	14,000	\$30,000	\$420,000,000	
Founders Seats (\$150,000)	1,000	\$150,000	\$150,000,000	
<b>Total Personal Seat Options</b>			<b>\$720,400,000</b>	<b>\$720,400,000</b>
<b>Sponsorships and Marketing (unshared)</b>			<b>\$90,000,000</b>	
<b>Legends Concessions and Parking* (unshared)</b>			<b>\$30,000,000</b>	
			\$120,000,000	\$1,844,700,000
<b>Annual Revenue Not Including Seat Options</b>			<b>\$290,000,000</b>	
<b>Present Value to NFL</b>				<b>\$504,200,000</b>
<b>Present Value to Cowboys</b>				<b>\$4,674,300,000</b>
<b>Total Value of Cowboys Stadium Revenue</b>				<b>\$5,178,500,000</b>

Source: 5 - <http://www.vanderbilt.edu/econ/faculty/Vrooman/cowboys-estimate.pdf>

Based on the above estimated revenues, it isn't any wonder how the Dallas Cowboys are able to pay off their loans and bonds earlier than projected.



## SOURCES

- 1 - <http://stadium.dallascowboys.com/>
- 2 - <http://football.ballparks.com/NFL/DallasCowboys/newindex.htm>
- 3 - [http://www.stltoday.com/sports/football/professional/taking-a-look-at-new-and-remodeled-nfl-stadiums/article\\_c4769793-55f4-58f8-9de5-fdeaa9fb07a3.html](http://www.stltoday.com/sports/football/professional/taking-a-look-at-new-and-remodeled-nfl-stadiums/article_c4769793-55f4-58f8-9de5-fdeaa9fb07a3.html)
- 4 - <http://www.arlingtontx.gov/cowboys/construction.html>
- 5 - <http://www.vanderbilt.edu/econ/faculty/Vrooman/cowboys-estimate.pdf>
- 6 - [http://www.arlingtontx.gov/cowboys/pdf/FINAL\\_Master\\_Agreement.pdf](http://www.arlingtontx.gov/cowboys/pdf/FINAL_Master_Agreement.pdf)



  
COWBOYS STADIUM

