

Connecticut General Assembly

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December 8, 1998

TO: Members of the General Assembly
FROM: Revenue Section
SUBJECT: Patriots Stadium Proposal Analysis

This analysis is based on the memorandum of understanding and the KPMG Peat Marwick report dated November 20, 1998. It does not contain analysis of provisions that may be contained in legislation or a development agreement.

I. Cost to Develop the Stadium

Since the estimates of costs have not yet been fully determined, this analysis assumes that the cost to develop the stadium is \$350 million, as indicated on page 70 of the KPMG Peat Marwick report. Like KPMG, the debt service is based on issuing approximately \$374 million in bonds to account for inflation.

II. Analysis of the Hartford Market

Conclusion: The KPMG Peat Marwick report does not provide empirical data or information based on surveys in several key areas needed to evaluate the Patriots Stadium proposal. Individual legislators will have to use their own judgment about whether they believe that there is a sufficiently high level of interest in professional football over a 30-year period to make the Patriots Stadium project successful.

One of the key questions that must be answered in evaluating the feasibility of the Patriots Stadium proposal is:

What is the level of interest in professional football in the Hartford market and how large a stadium will this level support?

The KPMG Peat Marwick report approaches the question by comparing the Hartford market's economic base to other similar-size markets with NFL stadiums using population statistics and disposable income (EBI) figures. These figures do not compare the level of interest in professional football in the Hartford market with the level in the other markets. They also do not indicate that interest is sufficiently high in Hartford to support the Patriots Stadium project over a 30-year period. Rather, the figures indicate that if interest is sufficiently high, then there is a large enough population with enough disposable income to support the stadium.

The second part of the question deals with the optimal size of the stadium, which has significant implications for construction costs. The KPMG Peat Marwick report assumes that the proposed stadium will be 68,000 seats based on the agreement negotiated between Governor Rowland and Mr. Kraft. The report presents no empirical data or surveys to support the idea that 68,000 seats is the optimal size stadium for the Hartford market. Rather, it compares the Hartford market to other NFL stadium markets with comparable disposable income (EBI) and population size to show that the Hartford market could support such a stadium.

Another important issue is the number and selling price of premium seats because the MOU guarantees state payments of up to \$17.5 million per year when revenue from the sale of these seats is below specified amounts.

The figures used in the KPMG Peat Marwick report (an average price of \$5,000 for 6,000 club seats and \$100,000 for 125 to 150 luxury suites) are based on the agreement negotiated between Governor Rowland and Mr. Kraft.

As in the stadium size section, the report compares the Hartford market to other comparable NFL stadium markets. It presents data showing that five out of six of these markets have more seats and all six have a lower average price. The figures for the Patriots Stadium appear to be based on the theory that limiting the number of premium seats and providing a high level of amenities in the luxury suites and club seats will create demand for the seats at a higher than average price.

The high average prices for these premium seats indicate that corporate sponsors are the target market. The report provides information regarding the number of potential corporate sponsors for the Hartford stadium and states that “the economic base for a market area can also serve as an indicator of potential support for an NFL franchise” (OFA emphasis added). However, the report does not present historical or empirical data to support the idea that the economic base for a market actually has served as an indicator of support for an NFL franchise.

The KPMG Peat Marwick report’s discussion of corporate sponsorship also offers three reasons for strong premium seat sales at the proposed stadium: (1) the lack of competition in Hartford from other major league sports, (2) excess demand for such seats in the Springfield, Worcester, Providence, Stamford, and New Haven markets, and (3) continued participation by Boston-based corporations that currently purchase suites at Foxboro. However, the report does not provide marketing research or polling data to indicate whether the level of corporate interest in the Hartford stadium is high enough that the state would be likely to avoid making payments under the premium seat sales guarantee. The report also does not quantify the competitive threat posed by major league stadiums in Boston and New York City.

III. Analysis of Various Stadium Cost and Revenue Stream Scenarios

Conclusion: Using OFA assumptions, the Patriots Stadium project is changed from a net gain to a net cost.

To aid legislators in evaluating the fiscal impact of the Patriots Stadium proposal, we are providing three sets of scenarios (a total of six). It should be noted that we are not stating that

any one of these scenarios will be what actually is expected to occur. These serve only to display the results of a “what if” analysis based on the assumptions used in each scenario.

One scenario of each pair shows level debt service payments (the type used in the KPMG report) and the other shows level principal payments. Level debt service payments structure the amount of principal paid off each year so that the total annual payment (principal and interest) does not change. Level principal payments combine the interest payment each year with a fixed amount of principal, which results in the highest debt service payment in the first year and declining to the lowest payment at the end of the term. This occurs since interest is paid only on the remaining principal balance. This method is normally used in retiring state general obligation bonded indebtedness. The disadvantage of this method of payment is the higher debt service in the early years. The advantage is that total interest costs over the term are less by approximately 17%.

The scenarios are presented in current dollars rather than net present value since legislators are accustomed to receiving multi-year fiscal impacts in current dollars.

The assumptions used in these scenarios are the same as those used in the KPMG Peat Marwick report except for the bond interest rate, the incremental tax revenue and payments by the state under the premium seat guarantee. These assumptions have been changed as follows:

- The bond interest rate was changed from a blended taxable/nontaxable rate of 5.5% used in the KPMG report to a nontaxable rate of 5%.
- The assumption in the KPMG report is incremental tax revenue remains at a constant 90% for 30 years. Our analysis changes this assumption to a decrease of 1% per year, so that 90% decreases to 61% by Year 30. This was changed to reflect the fact that in-state ticket holders are anticipated to replace predominantly out-of-state season ticket holders over time. As the mix of season ticket holders changes to include a greater number of in-state residents, a portion of the current spending on non-stadium entertainment will be replaced by stadium-based spending.
- The KPMG summary of stadium costs and benefits assumes no cost to the state for the premium seat guarantee. Our analysis assumes that the state will make payments under the guarantee.

Exhibits A and A-1 present the summary of project costs and benefits presented on page 72 of the KPMG report except that the interest rate has been changed to 5%. Exhibit A-1 shows the impact of changing the method of debt issuance from level debt service to level principal payments. The difference between the two methods of debt issuance results in a \$65.4 million savings over the 30-years.

Exhibits B and B-1 present the impact of changing the assumption concerning the level of incremental spending over 30 years. These scenarios assume the same level of premium seat sales (80 luxury suites at an average price of \$100,000, excluding the price of tickets, and 6,000 club seats at an average price of \$4,250, or \$5,000 less the price of tickets) as contained on page 57 of the KPMG report. Based on the sale of only 80 luxury suites, the state would be responsible for making payments under the provision of the ticket guarantee in the MOU. These assumptions change the project's impact from a net gain (Exhibit A) to the state to a net cost.

Exhibits C and C-1 also present the impact changing the assumption concerning the level of incremental spending over 30 years. However, they differ from B and B-1 by incorporating different assumptions for the premium seating product. The revenue stream from the sale of club seats is based on the sale of 6,000 seats at an average price of \$3,000 and the sale of 125 luxury suites at an average price of \$100,000. These new assumptions are based on OFA's analysis of the data that appears on pages 41-45 of the KPMG report that provides information on premium seat product in six NFL markets with stadiums constructed within the last five years. The data suggests that revenue from luxury suites would meet the criteria of the MOU and not require a state payment under the ticket guarantee. However, the data on club seats does not support the pricing structure in the MOU (an average price of \$5,000, which includes the price of tickets). The data from the six NFL markets indicates that the average price for club seats is approximately \$2,000. Because the Patriots plan to offer club seats with a higher level of amenities, the OFA figure assumes an average price of \$3,000. However this would not meet the criteria contained in the MOU, so the state would be responsible for making payments under the provision of the ticket guarantee in the MOU. These assumptions change the project's impact from a net gain (Exhibit A) to the state to a net cost.

Additional costs not considered in the KPMG study includes insurance costs to the state per the MOU (preliminary estimate of \$250,000) and costs to the City of Hartford for providing services and the effect of the proposal on the city's Property Tax Grand List. Estimates of increases to the Grand List from the stadium project (i.e., personal property at the stadium, the hotel personal and real property) are not available at this time, but will be identified in the fiscal note on the bill. Costs to the city for increased public works, police and fire expenditures are being developed and will also be identified in the fiscal note on the bill. Some of the parcels of real estate that would be occupied by the stadium project are currently tax-exempt (city, state or Metropolitan District Commission owned) and some are taxable. The taxable portion currently yields about \$2.1 million in revenue annually to the City of Hartford.

Exhibit A

Patriots Stadium Proposal - Level Debt Service Payment

Project Cost	350,000,000
Inflation Cost	19,950,000
Issuance Cost	<u>4,444,860</u>
Total Amount Bonded	374,394,860

Inflation Assumption: 5.70%

Discount Rate (Interest Rate) 5.00%
 Years of Bonded Indebtedness 30

Year	Construction Draw (A)	Debt Service on (A) (B)	Projected Tax Revenues (Direct/Indirect) (C)	Reserve for Capital Repairs per KPMG report (D)	Financing Gap (C)-(B)-(D) (E)
X1	67,391,075	2,169,993	0	0	(2,169,993)
X2	149,757,944	8,924,825	0	0	(8,924,825)
X3	157,245,841	18,345,348	0	0	(18,345,348)
1		24,111,374	15,621,000	(1,562,100)	(10,052,474)
2		24,111,374	16,406,000	(1,640,600)	(9,345,974)
3		24,111,374	17,352,000	(1,735,200)	(8,494,574)
4		24,111,374	18,249,000	(1,824,900)	(7,687,274)
5		24,111,374	19,340,000	(1,934,000)	(6,705,374)
6		24,111,374	20,442,380	(2,044,238)	(5,713,232)
7		24,111,374	21,607,596	(2,160,760)	(4,664,537)
8		24,111,374	22,839,229	(2,283,923)	(3,556,068)
9		24,111,374	24,141,065	(2,414,107)	(2,384,415)
10		24,111,374	25,517,106	(2,551,711)	(1,145,978)
11		24,111,374	26,971,581	(2,697,158)	163,049
12		24,111,374	28,508,961	(2,850,896)	1,546,691
13		24,111,374	30,133,972	(3,013,397)	3,009,201
14		24,111,374	31,851,608	(3,185,161)	4,555,073
15		24,111,374	33,667,150	(3,366,715)	6,189,061
16		24,111,374	35,586,178	(3,558,618)	7,916,186
17		24,111,374	37,614,590	(3,761,459)	9,741,757
18		24,111,374	39,758,622	(3,975,862)	11,671,386
19		24,111,374	42,024,863	(4,202,486)	13,711,003
20		24,111,374	44,420,280	(4,442,028)	15,866,878
21		24,111,374	46,952,236	(4,695,224)	18,145,639
22		24,111,374	49,628,513	(4,962,851)	20,554,288
23		24,111,374	52,457,338	(5,245,734)	23,100,230
24		24,111,374	55,447,406	(5,544,741)	25,791,292
25		24,111,374	58,607,908	(5,860,791)	28,635,743
26		24,111,374	61,948,559	(6,194,856)	31,642,329
27		24,111,374	65,479,627	(6,547,963)	34,820,291
28		24,111,374	69,211,966	(6,921,197)	38,179,396
29		24,111,374	73,157,048	(7,315,705)	41,729,969
30		24,111,374	77,327,000	(7,732,700)	45,482,926
Totals in Current \$	374,394,860	752,781,376	1,162,270,782	(116,227,078)	293,262,327

Exhibit A-1

Patriots Stadium Proposal - Level Principal Payment

Project Cost (amount bonded) 374,394,860

Inflation Assumption: 5.70%

Discount Rate (Interest Rate) 5.00%

Years of Bonded Indebtedness 30

Year	Construction Draw (A)	Debt Service on (A) (B)	Projected Tax Revenues (Direct/Indirect) (C)	Reserve for Capital Repairs per KPMG report (D)	Financing Gap (C)-(B)-(D) (E)
X1	67,391,075	2,169,993	0	0	(2,169,993)
X2	149,757,944	8,924,825	0	0	(8,924,825)
X3	157,245,841	18,345,348	0	0	(18,345,348)
1		30,887,576	15,621,000	(1,562,100)	(16,828,676)
2		30,269,824	16,406,000	(1,640,600)	(15,504,424)
3		29,652,073	17,352,000	(1,735,200)	(14,035,273)
4		29,034,321	18,249,000	(1,824,900)	(12,610,221)
5		28,416,570	19,340,000	(1,934,000)	(11,010,570)
6		27,798,818	20,442,380	(2,044,238)	(9,400,676)
7		27,181,067	21,607,596	(2,160,760)	(7,734,230)
8		26,563,315	22,839,229	(2,283,923)	(6,008,009)
9		25,945,564	24,141,065	(2,414,107)	(4,218,605)
10		25,327,812	25,517,106	(2,551,711)	(2,362,417)
11		24,710,061	26,971,581	(2,697,158)	(435,638)
12		24,092,309	28,508,961	(2,850,896)	1,565,756
13		23,474,558	30,133,972	(3,013,397)	3,646,017
14		22,856,806	31,851,608	(3,185,161)	5,809,641
15		22,239,055	33,667,150	(3,366,715)	8,061,380
16		21,621,303	35,586,178	(3,558,618)	10,406,257
17		21,003,552	37,614,590	(3,761,459)	12,849,579
18		20,385,800	39,758,622	(3,975,862)	15,396,960
19		19,768,049	42,024,863	(4,202,486)	18,054,328
20		19,150,297	44,420,280	(4,442,028)	20,827,955
21		18,532,546	46,952,236	(4,695,224)	23,724,467
22		17,914,794	49,628,513	(4,962,851)	26,750,868
23		17,297,043	52,457,338	(5,245,734)	29,914,562
24		16,679,291	55,447,406	(5,544,741)	33,223,374
25		16,061,539	58,607,908	(5,860,791)	36,685,578
26		15,443,788	61,948,559	(6,194,856)	40,309,915
27		14,826,036	65,479,627	(6,547,963)	44,105,628
28		14,208,285	69,211,966	(6,921,197)	48,082,484
29		13,590,533	73,157,048	(7,315,705)	52,250,810
30		12,972,782	77,327,000	(7,732,700)	56,621,518
Totals in Current \$	374,394,860	687,345,533	1,162,270,782	(116,227,078)	358,698,171

Exhibit B

Patriots Stadium Proposal - Level Debt Service Payment

Project Cost	350,000,000
Inflation Cost	19,950,000
Issuance Cost	<u>4,444,860</u>
Total Amount Bonded	374,394,860

Inflation Assumption: 5.70%

Discount Rate (Interest Rate) 5.00%

Years of Bonded Indebtedness 30

Year	Construction Draw (A)	Debt Service on (A) (B)	New Incremental	Reserve for	Ticket	Financing Gap
			Assumption Projected Tax Revenues (Direct/Indirect) (C)	Capital Repairs per KPMG report (D)	Guarantee Payment (E)	(C)-(B)-(D)-(E) (F)
X1	67,391,075	2,169,993	0	0	0	(2,169,993)
X2	149,757,944	8,924,825	0	0	0	(8,924,825)
X3	157,245,841	18,345,348	0	0	0	(18,345,348)
1		24,111,374	15,621,000	(1,562,100)	(4,500,000)	(14,552,474)
2		24,111,374	16,241,940	(1,640,600)	(4,617,000)	(14,127,034)
3		24,111,374	17,004,960	(1,735,200)	(4,737,042)	(13,578,656)
4		24,111,374	17,701,530	(1,824,900)	(4,860,205)	(13,094,949)
5		24,111,374	18,566,400	(1,934,000)	(4,986,570)	(12,465,544)
6		24,111,374	19,420,261	(2,044,238)	(5,270,805)	(12,006,156)
7		24,111,374	20,311,140	(2,160,760)	(5,571,241)	(11,532,234)
8		24,111,374	21,240,483	(2,283,923)	(5,888,802)	(11,043,615)
9		24,111,374	22,209,780	(2,414,107)	(6,224,463)	(10,540,164)
10		24,111,374	23,220,566	(2,551,711)	(6,579,258)	(10,021,776)
11		24,111,374	24,274,423	(2,697,158)	(6,954,275)	(9,488,384)
12		24,111,374	25,372,975	(2,850,896)	(7,350,669)	(8,939,963)
13		24,111,374	26,517,895	(3,013,397)	(7,769,657)	(8,376,532)
14		24,111,374	27,710,899	(3,185,161)	(8,212,528)	(7,798,163)
15		24,111,374	28,953,749	(3,366,715)	(8,680,642)	(7,204,981)
16		24,111,374	30,248,251	(3,558,618)	(9,175,438)	(6,597,179)
17		24,111,374	31,596,256	(3,761,459)	(9,698,438)	(5,975,015)
18		24,111,374	32,999,656	(3,975,862)	(10,251,249)	(5,338,829)
19		24,111,374	34,460,388	(4,202,486)	(10,835,570)	(4,689,042)
20		24,111,374	35,980,427	(4,442,028)	(11,453,198)	(4,026,173)
21		24,111,374	37,561,789	(4,695,224)	(12,106,030)	(3,350,839)
22		24,111,374	39,206,525	(4,962,851)	(12,796,074)	(2,663,773)
23		24,111,374	40,916,724	(5,245,734)	(13,525,450)	(1,965,834)
24		24,111,374	42,694,503	(5,544,741)	(14,296,401)	(1,258,013)
25		24,111,374	44,542,010	(5,860,791)	(15,111,296)	(541,450)
26		24,111,374	46,461,419	(6,194,856)	(15,972,640)	182,550
27		24,111,374	48,454,924	(6,547,963)	(16,883,080)	912,507
28		24,111,374	50,524,735	(6,921,197)	(17,845,416)	1,646,749
29		24,111,374	52,673,075	(7,315,705)	(18,862,604)	2,383,392
30		24,111,374	54,902,170	(7,732,700)	(19,937,773)	3,120,324
Totals in						
Current \$	374,394,860	752,781,376	947,590,853	(116,227,081)	(300,953,813)	(222,371,418)

Exhibit B-1

Patriots Stadium Proposal - Level Principal Payment

Project Cost (amount bonded) 374,394,860

Inflation Assumption: 5.70%

Discount Rate (Interest Rate) 5.00%

Years of Bonded Indebtedness 30

Year	Construction Draw (A)	Debt Service on (A) (B)	New Incremental Assumption Projected Tax Revenues (Direct/Indirect) (C)	Reserve for Capital Repairs per KPMG report (D)	Ticket Guarantee Payment (E)	Financing Gap (C)-(B)-(D)-(E) (F)
X1	67,391,075	2,169,993	0	0	0	(2,169,993)
X2	149,757,944	8,924,825	0	0	0	(8,924,825)
X3	157,245,841	18,345,348	0	0	0	(18,345,348)
1		30,887,576	15,621,000	(1,562,100)	(4,500,000)	(21,328,676)
2		30,269,824	16,241,940	(1,640,600)	(4,617,000)	(20,285,484)
3		29,652,073	17,004,960	(1,735,200)	(4,737,042)	(19,119,355)
4		29,034,321	17,701,530	(1,824,900)	(4,860,205)	(18,017,896)
5		28,416,570	18,566,400	(1,934,000)	(4,986,570)	(16,770,740)
6		27,798,818	19,420,261	(2,044,238)	(5,270,805)	(15,693,600)
7		27,181,067	20,311,140	(2,160,760)	(5,571,241)	(14,601,927)
8		26,563,315	21,240,483	(2,283,923)	(5,888,802)	(13,495,557)
9		25,945,564	22,209,780	(2,414,107)	(6,224,463)	(12,374,354)
10		25,327,812	23,220,566	(2,551,711)	(6,579,258)	(11,238,214)
11		24,710,061	24,274,423	(2,697,158)	(6,954,275)	(10,087,071)
12		24,092,309	25,372,975	(2,850,896)	(7,350,669)	(8,920,899)
13		23,474,558	26,517,895	(3,013,397)	(7,769,657)	(7,739,717)
14		22,856,806	27,710,899	(3,185,161)	(8,212,528)	(6,543,596)
15		22,239,055	28,953,749	(3,366,715)	(8,680,642)	(5,332,662)
16		21,621,303	30,248,251	(3,558,618)	(9,175,438)	(4,107,108)
17		21,003,552	31,596,256	(3,761,459)	(9,698,438)	(2,867,193)
18		20,385,800	32,999,656	(3,975,862)	(10,251,249)	(1,613,255)
19		19,768,049	34,460,388	(4,202,486)	(10,835,570)	(345,717)
20		19,150,297	35,980,427	(4,442,028)	(11,453,198)	934,904
21		18,532,546	37,561,789	(4,695,224)	(12,106,030)	2,227,989
22		17,914,794	39,206,525	(4,962,851)	(12,796,074)	3,532,806
23		17,297,043	40,916,724	(5,245,734)	(13,525,450)	4,848,497
24		16,679,291	42,694,503	(5,544,741)	(14,296,401)	6,174,070
25		16,061,539	44,542,010	(5,860,791)	(15,111,296)	7,508,384
26		15,443,788	46,461,419	(6,194,856)	(15,972,640)	8,850,136
27		14,826,036	48,454,924	(6,547,963)	(16,883,080)	10,197,845
28		14,208,285	50,524,735	(6,921,197)	(17,845,416)	11,549,838
29		13,590,533	52,673,075	(7,315,705)	(18,862,604)	12,904,232
30		12,972,782	54,902,170	(7,732,700)	(19,937,773)	14,258,915
Totals in Current \$	374,394,860	687,345,533	947,590,853	(116,227,081)	(300,953,813)	(156,935,574)

Exhibit C

Patriots Stadium Proposal - Level Debt Service Payment

Project Cost	350,000,000
Inflation Cost	19,950,000
Issuance Cost	<u>4,444,860</u>
Total Amount Bonded	374,394,860

Inflation Assumption: 5.70%

Discount Rate (Interest Rate) 5.00%

Years of Bonded Indebtedness 30

Year	Construction Draw (A)	Debt Service on (A) (B)	New Incremental		Ticket Guarantee Payment (E)	Financing Gap (C)-(B)-(D)-(E) (F)
			Assumption Projected Tax Revenues (Direct/Indirect) (C)	Reserve for Capital Repairs per KPMG report (D)		
X1	67,391,075	2,169,993	0	0	0	(2,169,993)
X2	149,757,944	8,924,825	0	0	0	(8,924,825)
X3	157,245,841	18,345,348	0	0	0	(18,345,348)
1		24,111,374	15,621,000	(1,562,100)	(6,000,000)	(16,052,474)
2		24,111,374	16,241,940	(1,640,600)	(6,156,000)	(15,666,034)
3		24,111,374	17,004,960	(1,735,200)	(6,316,056)	(15,157,670)
4		24,111,374	17,701,530	(1,824,900)	(6,480,273)	(14,715,017)
5		24,111,374	18,566,400	(1,934,000)	(6,648,761)	(14,127,734)
6		24,111,374	19,420,261	(2,044,238)	(7,027,740)	(13,763,091)
7		24,111,374	20,311,140	(2,160,760)	(7,428,321)	(13,389,315)
8		24,111,374	21,240,483	(2,283,923)	(7,851,735)	(13,006,549)
9		24,111,374	22,209,780	(2,414,107)	(8,299,284)	(12,614,985)
10		24,111,374	23,220,566	(2,551,711)	(8,772,344)	(12,214,862)
11		24,111,374	24,274,423	(2,697,158)	(9,272,367)	(11,806,476)
12		24,111,374	25,372,975	(2,850,896)	(9,800,892)	(11,390,186)
13		24,111,374	26,517,895	(3,013,397)	(10,359,543)	(10,966,418)
14		24,111,374	27,710,899	(3,185,161)	(10,950,037)	(10,535,673)
15		24,111,374	28,953,749	(3,366,715)	(11,574,189)	(10,098,529)
16		24,111,374	30,248,251	(3,558,618)	(12,233,918)	(9,655,658)
17		24,111,374	31,596,256	(3,761,459)	(12,931,251)	(9,207,828)
18		24,111,374	32,999,656	(3,975,862)	(13,668,332)	(8,755,912)
19		24,111,374	34,460,388	(4,202,486)	(14,447,427)	(8,300,899)
20		24,111,374	35,980,427	(4,442,028)	(15,270,931)	(7,843,905)
21		24,111,374	37,561,789	(4,695,224)	(16,141,374)	(7,386,183)
22		24,111,374	39,206,525	(4,962,851)	(17,061,432)	(6,929,131)
23		24,111,374	40,916,724	(5,245,734)	(18,033,934)	(6,474,318)
24		24,111,374	42,694,503	(5,544,741)	(19,061,868)	(6,023,480)
25		24,111,374	44,542,010	(5,860,791)	(20,148,394)	(5,578,549)
26		24,111,374	46,461,419	(6,194,856)	(21,296,853)	(5,141,663)
27		24,111,374	48,454,924	(6,547,963)	(22,510,773)	(4,715,186)
28		24,111,374	50,524,735	(6,921,197)	(23,793,887)	(4,301,723)
29		24,111,374	52,673,075	(7,315,705)	(25,150,139)	(3,904,143)
30		24,111,374	54,902,170	(7,732,700)	(26,583,697)	(3,525,601)
Totals in						
Current \$	374,394,860	752,781,376	947,590,853	(116,227,081)	(401,271,751)	(322,689,355)

Exhibit C-1

Patriots Stadium Proposal - Level Principal Payment

Project Cost (amount bonded) 374,394,860

Inflation Assumption: 5.70%

Discount Rate (Interest Rate) 5.00%

Years of Bonded Indebtedness 30

Year	Construction Draw (A)	Debt Service on (A) (B)	New Incremental Assumption Projected Tax Revenues (Direct/Indirect) (C)	Reserve for Capital Repairs per KPMG report (D)	Ticket Guarantee Payment (E)	Financing Gap (C)-(B)-(D)-(E) (F)
X1	67,391,075	2,169,993	0	0	0	(2,169,993)
X2	149,757,944	8,924,825	0	0	0	(8,924,825)
X3	157,245,841	18,345,348	0	0	0	(18,345,348)
1		30,887,576	15,621,000	(1,562,100)	(6,000,000)	(22,828,676)
2		30,269,824	16,241,940	(1,640,600)	(6,156,000)	(21,824,484)
3		29,652,073	17,004,960	(1,735,200)	(6,316,056)	(20,698,369)
4		29,034,321	17,701,530	(1,824,900)	(6,480,273)	(19,637,965)
5		28,416,570	18,566,400	(1,934,000)	(6,648,761)	(18,432,930)
6		27,798,818	19,420,261	(2,044,238)	(7,027,740)	(17,450,535)
7		27,181,067	20,311,140	(2,160,760)	(7,428,321)	(16,459,008)
8		26,563,315	21,240,483	(2,283,923)	(7,851,735)	(15,458,491)
9		25,945,564	22,209,780	(2,414,107)	(8,299,284)	(14,449,175)
10		25,327,812	23,220,566	(2,551,711)	(8,772,344)	(13,431,300)
11		24,710,061	24,274,423	(2,697,158)	(9,272,367)	(12,405,163)
12		24,092,309	25,372,975	(2,850,896)	(9,800,892)	(11,371,122)
13		23,474,558	26,517,895	(3,013,397)	(10,359,543)	(10,329,602)
14		22,856,806	27,710,899	(3,185,161)	(10,950,037)	(9,281,105)
15		22,239,055	28,953,749	(3,366,715)	(11,574,189)	(8,226,210)
16		21,621,303	30,248,251	(3,558,618)	(12,233,918)	(7,165,588)
17		21,003,552	31,596,256	(3,761,459)	(12,931,251)	(6,100,006)
18		20,385,800	32,999,656	(3,975,862)	(13,668,332)	(5,030,338)
19		19,768,049	34,460,388	(4,202,486)	(14,447,427)	(3,957,574)
20		19,150,297	35,980,427	(4,442,028)	(15,270,931)	(2,882,829)
21		18,532,546	37,561,789	(4,695,224)	(16,141,374)	(1,807,354)
22		17,914,794	39,206,525	(4,962,851)	(17,061,432)	(732,552)
23		17,297,043	40,916,724	(5,245,734)	(18,033,934)	340,014
24		16,679,291	42,694,503	(5,544,741)	(19,061,868)	1,408,603
25		16,061,539	44,542,010	(5,860,791)	(20,148,394)	2,471,285
26		15,443,788	46,461,419	(6,194,856)	(21,296,853)	3,525,923
27		14,826,036	48,454,924	(6,547,963)	(22,510,773)	4,570,151
28		14,208,285	50,524,735	(6,921,197)	(23,793,887)	5,601,366
29		13,590,533	52,673,075	(7,315,705)	(25,150,139)	6,616,697
30		12,972,782	54,902,170	(7,732,700)	(26,583,697)	7,612,991
Totals in Current \$	374,394,860	687,345,533	947,590,853	(116,227,081)	(401,271,751)	(257,253,512)