

FINANCING

Modernizing the Orange Bowl Stadium financially outweighs any other plan for providing the community with a reconstructed sports facility. The Orange Bowl's prior cost when added to the proposed new investment will extend the life of the City's Orange Bowl for many years at a substantially reduced cost when compared to an investment in a totally new super stadium, such as Kansas City, New Orleans, the Astrodome, or Texas Stadium. Such stadiums, at today's inflated prices, would fall in the \$100 million cost category.

What will this program cost the City?

The interior program, including the east end zone stands, the lower deck chair seats and conversions, the upper deck aluminum benches, improved field lighting and other internal improvements would cost approximately \$7 million.

The mechanical ramps to the upper level plus other exterior improvements would cost an estimated \$3 million.

The construction of the sky rooms would represent approximately \$5.4 million, and the new electronic scoreboard approximately \$600,000.

This makes a total estimated cost of this program, at 1973 prices, of \$16 million.

More detailed breakdowns of these costs will be found in the appendix.

The next question, obviously, is: how is it proposed that this program be funded? There are four basic elements that must be put together in order for this project to be achieved.

The first ingredient would be the renegotiation of the FP&L franchise which, at the present time, terminates in February, 1984. A longer period of time should be negotiated. This would improve the City's borrowing power so that the City could go into long term financing in using this franchise money. Experience with this franchise revenue up to this point indicates that it would not be necessary to obligate all this franchise revenue over the 30 year period. Incidentally, the franchise money can be used only for construction purposes, it cannot be used for operating purposes. These funds would be used for the east end zone stands, the new seating (both lower deck chair seats, and upper deck aluminum bench seats), the improved field lighting, the mechanical ramps to the upper level, and other interior and exterior improvements.

The second ingredient, that is very necessary, is long-term written contracts with the Miami Dolphins, the University of Miami and the Orange Bowl Committee. This would be a guarantee that these organizations would continue to use the Orange Bowl, which is necessary to demonstrate to the money lenders that sufficient revenues will be generated over a long period of time to keep the Orange Bowl financially sound.

The third ingredient is the sky rooms which would be built by the City who would either (1) lease them out on a long term lease at a fee that would show an amortization of these facilities, or (2) set them up as condominiums, so that a person would own them for a long period of time after which they would revert back to the City. It is planned that this would be set up for a period of 20 to 25 years. It is not expected that the lessee has to pay

a lump sum, but rather could make payment over a given period. This spreading out of financing could be handled either by the City, or through an outside agency. The main objective is, of course, the guarantee of eventual full payment. It is expected that the fee on these structures would be adequate to finance their construction. This proposal will, of course, have to be first checked out from a legal standpoint.

Annually, the lessee would have to purchase 12 season tickets for events under contract with the City, such as football games by the Miami Dolphins and the University of Miami Hurricanes, as well as 12 tickets for the Orange Bowl Game and the Orange Blossom Classic.

The electronic scoreboard, estimated to cost \$600,000 is proposed to be financed through a sponsoring advertising firm. This would be through advertising included as an integral part of the scoreboard. Such a plan has tremendous potential. The location of the scoreboard above the west end zone will give it exceptional advertising exposure from outside the stadium, particularly if it is lighted at night. This, coupled with exposure to 80,000 plus, live spectators, and several million television viewers, gives this scoreboard great advertising value. This will be on a long-term lease basis, which would be necessary to warrant this kind of an expenditure.

The last element, and one of the most important, is a positive aggressive action by Metropolitan Dade County on its mass transportation program. This would include giving top priority to the station at N. W. 7 Street, as well as early construction of the entire system that would serve this station. By opening up this whole new means of access to the stadium,

two important benefits would be achieved. (1) There would be reduced vehicular congestion by lessening the number of persons arriving by private motor vehicle, and (2) the use of this site in the rapid transit system could justify the construction of a parking garage. It is estimated that a garage at the N. W. 7 Street area of the Orange Bowl would increase parking spaces by approximately 1100. There is no reason why a program couldn't be set up (and this would not be in competition with the Off-Street Parking Program) whereby it would be feasible for people living in certain areas to leave their car at the stadium garage, out of the weather, and go down town by mass transit. The construction of such a garage for this purpose would permit its use for additional parking during Orange Bowl events.

This, in brief, is the proposed program, and the logical sequence of steps that would have to be taken for it to reach fruition.