

CASE STUDY - FACILITY DEVELOPMENT AT&T Center - San Antonio, Texas



| | |
|-----------------------|---------------------------------------|
| YEAR OPENED | 2002 |
| ANCHOR TENANTS | San Antonio Spurs (NBA): SALE |
| OWNERSHIP | Coliseum Advisory Board/Bexar Company |
| MANAGEMENT | San Antonio Spurs |

The AT&T Center is the premier sports and entertainment show place for the San Antonio region including Bexar County and the surrounding south Texas communities. It has a total seating capacity of 18,500 for basketball, with 18,000 for concerts, 17,000 for the Rodeo and 13,000 for hockey. The facility is designed with 56 luxury suites and 1,920 club seats, with parking for 7,000. The AT&T Center is the home of the NBA San Antonio Spurs and the San Antonio Livestock Exposition (SALE), as well as the WNBA San Antonio Silver Stars and the AHL San Antonio Rampage.

INITIAL SITUATION

The City of San Antonio originally constructed the \$186 million Alamodome in 1993 as a football stadium with the hopes of being awarded a NFL expansion team. When it was evident San Antonio would not receive a team, the Spurs became the anchor tenant. However, with only 38 executive suites and a design better suited to football (specifically, poor sight lines and too many seats), the Alamodome soon became inadequate and the Spurs began the process for securing a replacement facility.

ROLE OF STAFFORD SPORTS

Stafford was retained in 1994 to act as Master Consultant to the Spurs in their attempts to secure a replacement facility. Stafford performed an initial study for the Spurs, viewing all possible options, including the relocation of the Spurs to a different city altogether. By 1999, the City of San Antonio was offering the Spurs a tenant arrangement, whereby the City would operate the facility and the Spurs would pay rent. A competing Bexar County was offering the Spurs a management arrangement, whereby the Spurs would operate the facility year-round and assume responsibility for ensuring the facility's viability.

Ultimately, Stafford became the lead negotiator on behalf of

the Spurs during discussions with both the City and County. Through long and often times tedious discussions, Stafford was able to negotiate various deal points, including revenue sharing, operational control, up-front equity payments, parking and ticket surcharges, in order to construct a deal that provided an equitable solution for both the Spurs and the public entity. Through Stafford's efforts, the Spurs ultimately had two viable, competing bids, both of which possessed significant merit, from which to choose.

END RESULT / ONGOING PARTICIPATION

In November 1999, Bexar County voters approved the Stafford-designed partnership between the Spurs, Bexar County, San Antonio Livestock Exposition (SALE) and the Coliseum Advisory Board to build a \$175 million community facility that would serve as the new home for the Spurs and SALE. Stafford arranged financing for the final deal and was instrumental in negotiating various vendor contracts in preparation for the facility's opening for the 2002-03 NBA season.

The initial year of operation of this state-of-the-art arena was a resounding success, as the NBA San Antonio Spurs opened their first season in the new AT&T Center by becoming the NBA World Champions for the second time in a decade.