8-1-2017

Hidden Subsidies and the Public Ownership of Sports Facilities: The Case of Levi's Stadium in Santa Clara

Robert Baumann
College of the Holy Cross, rbaumann@holycross.edu

Victor Matheson
College of the Holy Cross, vmatheso@holycross.edu

Debra O'Connor
College of the Holy Cross, doconnor@holycross.edu

Hidden Subsidies and the Public Ownership of Sports Facilities: The Case of Levi's Stadium in Santa Clara

By

Robert Baumann, Victor Matheson, and Debra O'Connor

August 2017

COLLEGE OF THE HOLY CROSS, DEPARTMENT OF ECONOMICS
FACULTY RESEARCH SERIES, PAPER NO. 17-05[*]

Department of Economics
College of the Holy Cross
Box 45A
Worcester, Massachusetts 01610
(508) 793-3362 (phone)
(508) 793-3708 (fax)

http://academics.holycross.edu/economics-accounting

[*]All papers in the Holy Cross Working Paper Series should be considered draft versions subject to future revision. Comments and suggestions are welcome.

Hidden Subsidies and the Public Ownership of Sports Facilities: The Case of Levi's Stadium in Santa Clara

By

Robert Baumann[†]
College of the Holy Cross

Victor Matheson [††]
College of the Holy Cross

and

Debra O'Connor[†††]
College of the Holy Cross

August 2017

Abstract

Levi's Stadium in Santa Clara, California is an example of a private financing / public ownership arrangement. While the stadium's construction resulted in no direct tax increases, this ownership arrangement allows the San Francisco 49ers to avoid many types of taxes on the income generated from Levi's Stadium. We estimate the total tax savings to the 49ers at between $106 and $213 million over the first 20 years of Levi's Stadium compared with a privately financed and owned option. We argue that tax savings inherent in private financing / public ownership arrangements represent indirect and hidden subsidies.

.

JEL Classification Codes: H71, H83, L83, Z23

Keywords: football, sports, stadium, tax subsidies, accounting

[†]Department of Economics and Accounting, Box 192A, College of the Holy Cross, Worcester, MA 01610-2395, 508-793-3879, rbaumann@holycross.edu

[††] Department of Economics and Accounting, Box 157A, College of the Holy Cross, Worcester, MA 01610-2395, 508-793-2649, vmatheso@holycross.edu

[†††] Department of Economics and Accounting, Box 45A, College of the Holy Cross, Worcester, MA 01610-2395, 508-793-2689, doconnor@holycross.edu

Introduction

The past 30 years have witnessed a remarkable transformation of the stadium infrastructure among the major professional sports leagues in the United States and Canada. In 2016, 135 out of the 143 teams in the National Football League (NFL), National Basketball Association (NBA), Major League Soccer (MLS), Major League Baseball (MLB), and National Hockey League (NHL) will be playing in facilities constructed or significantly refurbished since 1987. The overwhelming majority of these facilities have received significant public subsidies to cover construction costs or through one-time or on-going tax exemptions. The median public contribution to stadium and arena construction expenses over the past 30 years is roughly 70 percent of the building cost.

In the NFL, every team plays in a stadium under 30 years old or a stadium having undergone major updates over that time. See Table 1 for a list of current NFL stadiums, along with their costs. One of the notable aspects of this list is the recent spate of billion dollar stadiums starting in 2009 with a new stadium in Arlington, Texas for the Dallas Cowboys, and continuing on with pricy new stadiums in East Rutherford, New Jersey (New York Giants and New York Jets), Santa Clara, California (San Francisco 49ers), Minneapolis, Minnesota (Minnesota Vikings), and Atlanta, Georgia (Atlanta Falcons). Not only are the nominal price tags of these stadiums eye-popping, but in most cases the public contribution to the construction of these facilities is a fraction of the amount spent on stadiums over the previous 20 years. In fact, for the 25 NFL stadium projects between 1987 and 2008, the taxpayer picked up roughly three-quarters of the total constructions costs. Since 2009, the total public contribution has been only about one-quarter of the total construction costs.

Furthermore, in each of the billion dollar stadiums that have recently opened or are currently under construction, the team or the league has contributed between half and all of the construction costs. The actual facility, however, is or will be owned by a government agency specifically created for the stadium even though, in most cases, all of the operational and management functions are performed by the team. This paper examines the tax benefits to an NFL team of having a publicly owned but privately operated stadium, with a specific analysis of Levi's Stadium, the San Francisco 49ers stadium that opened in 2014 in Santa Clara. A careful analysis of the tax benefits demonstrates that teams are still receiving substantial public subsidies despite an apparent reduction in the direct subsidies for NFL stadiums. These indirect subsidies include an exemption from property taxes and a reduction in income taxes. The analysis indicates that the value of the indirect hidden subsidies for the Levi's Stadium is between $106 and $213 million dollars over the first twenty years of its existence.

Santa Clara Stadium

The opening of Levi's Stadium in August 2014 was the culmination of several attempts to replace Candlestick Park, the home of the NFL's San Francisco 49ers since 1971. In two separate attempts, the 49ers planned a new stadium near their current home in Candlestick Point. Both of these attempts would have utilized public funding from the city of San Francisco, but a combination of outside forces and disagreements between the 49ers and the city stalled both of these efforts. The second attempt is notable because the city hoped a new stadium would increase their chances to win the bid to host the 2016 Summer Olympics.[1] Soon after these plans dissolved in 2006, the 49ers announced a commitment to move the team to Santa Clara, roughly

[1] Matier, Phillip, and Andrew Ross, "Newsom's Olympic Vision sees new 49ers stadium," *San Francisco Chronicle*, July 11, 2006.

40 miles to the southeast and also the home of its headquarters and training facility. In the past, the city of Santa Clara had tried unsuccessfully to attract two of the other Bay Area professional teams, the San Francisco Giants and Oakland A's.

In July 2009, 49er officials presented plans for a new stadium to the Santa Clara City Council. These preliminary plans noted a proposed $937 million stadium operated by a partnership between the city and the team.[2] It pledged that construction would not use money from the city's general fund or require any new taxes, hold the 49ers responsible for any cost overruns, and set the rent paid by the 49ers at "fair market."[3] The Santa Clara City Council voted to put the issue to a ballot measure vote.

This initiative, known as Measure J, was passed by city voters with roughly 58 percent support on June 8, 2010. At the time, it was believed that the public contribution would be roughly $114 million from Redevelopment Authority funds and an increase in the local hotel tax. It was hoped that the city might recoup a portion of these funds through their cut of stadium revenues from any non-NFL events which are split evenly between the 49ers and the city.

In February 2011, the city of Santa Clara formed the Santa Clara Stadium Authority, which

> "…exists as a public body, separate and distinct from the City, and is established to provide for development and operation of the proposed stadium, in order to ensure that the stadium serves the goals of its other member--the City of Santa Clara."[4]

Membership in the Santa Clara Stadium Authority is technically the city of Santa Clara, but the governing board comprises most of the city's most powerful politicians, including the mayor, city manager, and the seven members of the city council.[5]

---

[2] Associated Press, "Niners show Santa Clara officials plans for new $937 million stadium," July 15, 2009.
[3] City of Santa Clara, "Stadium Term Sheet", http://santaclara.gov/index.aspx?page=1197, accessed March 4, 2014.
[4] City of Santa Clara, "Stadium Authority", http://santaclaraca.gov/index.aspx?page=1880, accessed March 4, 2014.

Construction could not begin until financing was secured. Ultimately the Santa Clara Stadium Authority received $950 million in loans from a combination of private banks.[6] Since the ballot measure promised that the stadium would not impact the city's general fund, the loan will be repaid through a variety of stadium revenues such as naming rights, lease payments from the team, and "stadium builders licenses" (i.e., personal seat licenses (PSL)) sales. By this time, the estimated cost of the stadium had risen to well over $1 billion, and the NFL agreed to provide an additional $200 million in funding through its "G4" program in February 2012. The G4 program provides loans from the NFL's general fund for stadium construction.[7] With the vast majority of its funding in place, groundbreaking for the new stadium occurred in April 2012 (See Figure 1).

It should be noted that it is somewhat odd that a facility billed as an almost entirely privately financed stadium, with only a $114 million public contribution, required the Santa Clara Stadium Authority, for all intents and purposes a public agency, to borrow $950 million for stadium construction. Similarly, if the team is responsible for the majority of the construction costs, it seems unusual for them to then grant ownership of its fixed investment to a local government entity. In fact, the sole purpose of this agency is to funnel revenues raised to build the stadium through a public agency rather than a private firm. As the next section of this paper will demonstrate, this setup has significant tax advantages to the 49ers.

By 2013, plans for other revenue sources began to surface. In May 2013, the San Francisco-based jeans company Levi Strauss, the Santa Clara Stadium Authority, and the 49ers announced an agreement to name the structure "Levi's Stadium" in exchange for approximately

---

[5] *Ibid*.

[6] Rosenberg, Mike, "Levi's Stadium is a model for privately financed venues," *San Francisco Chronicle*, February 5, 2016..

[7] Mintz, Howard, "NFL owners approve $200 million loan for 49ers stadium," *San Jose Mercury News*, February 3, 2012.

$220 million over 20 years. Seventy percent of the naming rights payments accrue to the city and the remainder to the team.[8] Levi's Stadium has already hosted several events outside of home 49ers games. The inaugural event at the stadium was a MLS match between the San Jose Earthquakes and the Seattle Sounders FC on August 2, 2014. In addition, Levi's Stadium has hosted a college football game between the University of California and the University of Oregon in October 2014, WrestleMania 31 in March 2015, and Super Bowl L in February 2016. The design of the stadium allows it to host a variety of events, including international soccer, motocross, and concerts.

By mid-2013, costs had risen to $1.3 billion.[9] Around this time, the Santa Clara Stadium Authority refinanced its non-NFL loans and announced that revenues from seat licenses had exceeded expectations.[10] For these reasons, the Stadium Authority lowered rent for the 49ers from $30 million to $24.5 million per year.[11] Profits for the 49ers during the inaugural season were projected to be $100 million, [12] but more recent estimates place yearly profits at just over $150 million thanks to higher than expected sales.[13] This is particularly large for an organization with near zero profit margins in the previous seasons. Given these estimates of revenue sources to build the stadium, it is now possible to estimate the tax advantages associated with essentially privately building the stadium using a public agency as a shell corporation.

[8] Rosenberg, Mike, "Levi's Stadium: 49ers' new Santa Clara home gets a name in $220 million deal," *San Jose Mercury News*, May 8, 2013.
[9] Rosenberg, Mike, "49ers new Santa Clara stadium cost goes up again - - to $1.3 billion," *San Jose Mercury News*, June 8, 2013.
[10] Rosenberg, Mike, "New San Francisco 49ers stadium's long-term costs drop by up to $90 million," *San Jose Mercury News*, May 1, 2013.
[11] Rosenberg, Mike, "49ers new Santa Clara stadium cost goes up again - - to $13. billion," *San Jose Mercury News*, June 8, 2013.
[12] Kawakami, Tim, "Cash Register: The 49ers' profit-margin in Santa Clara, starting next year will be LARGE," blog of *San Jose Mercury News*, August 30, 2013.
[13] Kawakami, Tim, "The 49ers are minting money ($150M+ annual profits), it's official now–and the Raiders are doing OK, too," *San Jose Mercury News*, September 16, 2016.

Estimating Tax Advantages

As currently structured, the Santa Clara Stadium Authority is designed to pay for the financing of the stadium through revenues generated by the stadium - primarily naming rights and personal seat licenses. The team keeps the entire revenue generated by NFL events and splits the revenue generated by non-NFL events with the city. Due to complexities in the financial arrangements, all numbers in this section should be considered approximations. Although the Stadium Authority borrowed a substantial amount of money to finance construction, personal seat license revenue allowed the Stadium Authority to retire a substantial portion of its initial debt soon after its construction. After the conclusion of the first 49er football season, personal set license revenue was $554.6 million.[14] The remaining long term debt – approximately $540 million – is split over three loans with different terms and interest rates.[15] For our purposes, we amortize the remaining long-term debt over 25 years at an interest rate of 5%, a conservative estimate of what the stadium authority is currently paying on its loans. In addition, the 49ers are paying rent of $24.5 million per year and the Stadium Authority's 70% share of Levi Strauss' 20-year, $220 million stadium naming rights deal amounts to another $7.7 million per year. These two payments put together, both of which come from private payment streams, are sufficient to cover the debt payments. Thus, the direct subsidy from the city of Santa Clara towards the stadium is limited to $114 million or just under 10% of the total construction cost, an amount well below the historical average subsidy for stadium construction in the NFL, or the other major sports leagues in the U.S. However, the indirect subsidies to the team in terms of tax advantages due to the public ownership of the privately financed stadium are quite large. These

[14] City of Santa Clara, "Santa Clara Stadium Authority Financial Statements March 31, 2016," http://santaclaraca.gov/government/stadium-authority/public-safety-cost-and-reimbursement-summary, accessed November 16 2016.
[15] *Ibid*.

indirect subsidies include an exemption from paying property taxes and a reduction in total income taxes. The 49ers also are exempt from paying sales, amusement or entertainment taxes, or other surcharge obligations on revenue from its NFL events.[16] As we will show, these exemptions create extraordinary tax savings for the 49ers.

If the stadium had been privately owned and financed, the 49ers would have had to pay state and federal corporate income tax on the sales of the personal seat licenses, as well as on the additional 70% share of naming rights deal that currently goes to the stadium authority, (the 49ers would pay taxes on their 30% share of the naming rights in either case). The marginal state tax rate for large corporations in California is 8.84%[17] while it is 35%[18] at the federal level. The team would get to deduct the cost of the stadium using straight line depreciation over a 39-year period[19]. Levi's Stadium has a depreciable cost of $1.273 billion ($1.31 billion less $37 million paid by the City of Santa Clara to move an electrical substation and build a parking garage)[20]. The interest incurred during the construction phase was capitalized and included in the cost of the stadium. In addition, interest expense is tax deductible for corporations. State corporate taxes are also deductible at the federal level.

Under the current public ownership plan, the 70% of the naming rights plus the PSL sales accrue tax free to the stadium authority. As a public entity, the stadium authority also does not have to pay property tax on the assessed value of its holdings.[21] Santa Clara charges a narrow range of rates to commercial properties in the city at an annual rate averaging 1.14% of the

---

[16] http://www.thenewamerican.com/economy/commentary/item/18740-taxpayers-are-on-the-hook-for-new-49ers-stadium-in-santa-clara, accessed January 4, 2017.
[17] 2013 California Tax Rates and Exemptions, https://www.ftb.ca.gov/forms/2013_california_tax_rates_and_exemptions.shtml, accessed January 27, 2014.
[18] Form 1120 Instructions, http://www.irs.gov/pub/irs-pdf/i1120.pdf, accessed June 12, 2014.
[19] Publication 946: How to Depreciate Property, http://www.irs.gov/pub/irs-pdf/p946.pdf, accessed June 12, 2014.
[20] http://www.sfgate.com/49ers/article/Levi-s-Stadium-The-1-3-billion -bet-5687409.php, accessed June 16, 2015.
[21] Personal property taxes on equipment, etc. would be paid under both ownership plans and therefore not included in the analysis.

assessed value[22]. Of course, even if the stadium were privately held, the city could issue a property tax exemption for the facility, but this exemption is automatic if the stadium is government owned property. Property taxes paid by a corporation are also deductible at both the state and federal level. Under the public ownership plan, the team does not have a deduction for depreciation and interest expense from their taxable income as they would not own the stadium, but any rent paid is fully deductible.

Table 2 shows the total taxes the team would be expected to pay through the first 20 years assuming the stadium had been privately owned and financed. For example, in year 1, Federal taxable income is calculated by adding the net operating income, the estimate of the 49er profits during the first year of Levi's Stadium ($150 million)[23] and the portion of the naming rights that are currently paid to the Stadium Authority ($7.7 million). Also included in income for year 1 is $554,600,000 in personal seat license revenue[24]. Deducting depreciation expense, interest expense, California income taxes and property taxes, Federal taxable income in year 1 is $581,734,599. Applying the marginal tax rate of 35%, federal taxes are $203,607,110 as reported in column 7. The California income tax is calculated by deducting depreciation expense, interest expense, and property taxes from total income at a marginal tax rate of 8.84%. The amount reported in column 9 is the combination of federal income taxes, California income taxes and the property taxes.

Table 3 shows the total taxes the team would be expected to pay through the first 20 years assuming the stadium is publicly owned and financed, as is the case now. Federal taxes in

---

[22] County of Santa Clara Compliation of Tax Rates & Information, http://www.sccgov.org/sites/fin/Controller-Treasurer%20Department/Property%20Tax%20Apportionment/Documents/Tax%20Rate%20Book%202013-2014.pdf, accessed February 12, 2014.
[23] Kawakami, Tim, "The 49ers are minting money ($150M+ annual profits), it's official now–and the Raiders are doing OK, too," *San Jose Mercury News*, September 16, 2016.
[24] https://www.irs.gov/pub/irs-wd/0247035.pdf, accessed January 19, 2017.

year 1 for this case are computed by deducting the rent expense and the California income taxes from the net operating income, for a total taxable income of $114,405,800. Applying the marginal tax rate of 35% results in federal taxes of $40,042,030 as reported in column 5. California income taxes are calculated by subtracting the rent expense from net operating income and applying the marginal tax rate of 8.84% for a total of $11,094,200 as reported in column 4. We assume net profits of $150 million, which is the estimate of team profits in the first year of the stadium. The analysis is truncated at 20 years since the naming rights deal with Levi Strauss is a 20-year contract and income becomes quite speculative. In addition, it is assumed that corporate tax rates will be fixed over the next 20 years and that the assessed value of the stadium will remain constant. Total taxes are discounted back to the present using a 5% discount rate, the interest rate used to estimate what the stadium authority is currently paying on its loans.

Table 4 summarizes the present value tax savings for the public-private partnership as currently structured in Santa Clara. We estimate that this partnership lowers the net present value of tax revenue by over $213 million over the next 20 years in comparison to a privately-owned facility. Even in the case where the team builds it own stadium but receives a property tax exemption, the net present value of taxes paid still decreases by about $106 million.

Conclusions

Stadium financing in the NFL has changed dramatically. One notable movement is the increase in cost; five recent NFL stadium constructions cost exceeded a $1 billion price tag. At the same time, however, the percent of construction costs being covered by the public has dropped significantly. Direct subsidies for NFL stadiums have averaged roughly 25% of construction costs since 2008, roughly one-third the average of the previous 20 years. While this trend seems to favor municipalities, the recent examples of private financing / public ownership arrangements may be hurting public budgets. In the case of Levi's Stadium in Santa Clara, we estimate the total tax savings to the San Francisco 49ers at between $106 and $213 million over the next 20 years when compared with a more traditional private financing / private ownership arrangement. We must stress that this estimation of hidden subsidies assumes the financial conditions of the stadium and the remains the same throughout the first 20 years of Levi's Stadium. While income will likely fluctuate with the success of the team and popularity of the non-NFL events held at Levi's Stadium, this assumption nevertheless illustrates that private financing / public ownership arrangements do not come free to the public. We therefore caution municipalities considering public ownership of a stadium as tax revenue losses may be substantial.

References

Baade, R. and V. Matheson (2013). “Financing Professional Sports Facilities,” (with Robert Baade) in *Financing for Local Economic Development, 2nd ed*., Zenia Kotval and Sammis White, eds., (NewYork: M.E. Sharpe Publishers).

Table 1: NFL Stadiums Construction and Upgrade Costs

Team	Stadium	Built	Cost (100,000s)	Public Cost	Public Percent
Atlanta	Mercedes-Benz Stadium	2017	$1,500	$200	13%
Minnesota	U.S. Bank Stadium	2016	$1,061	$498	47%
San Francisco	Levi's Stadium	2014	1,300	$114	9%
New Orleans	Superdome (repair and rehab)	2011	505	490	97%
Giants/Jets	New Meadowlands Stadium	2010	1,600	-	0%
Kansas City	Arrowhead Stadium (rehab)	2010	375	250	67%
Dallas	Cowboys Stadium	2009	1,150	325	28%
Indianapolis	Lukas Oil Stadium	2008	720	620	86%
Arizona	University of Phoenix Stadium	2006	371	267	72%
Philadelphia	Lincoln Financial Field	2003	285	228	80%
Green Bay	Lambeau Field	2003	295	251	85%
Chicago	Soldier Field	2003	600	450	75%
New England	Gillette Stadium	2002	325	33	10%
Houston	Reliant Stadium	2002	300	225	75%
Detroit	Ford Field	2002	300	219	73%
Seattle	Qwest Field	2002	300	201	67%
Pittsburgh	Heinz Field	2001	230	150	65%
Denver	Invesco Field	2001	365	274	75%
Cincinnati	Paul Brown Stadium	2000	400	400	100%
Cleveland	Browns Stadium	1999	283	255	90%
Tennessee	LP Field	1999	290	220	76%
Buffalo	Ralph Wilson Stadium (rehab)	1999	63	63	100%
Baltimore	M&T Bank Stadium	1998	220	176	80%
Tampa Bay	Raymond James Stadium	1998	169	169	100%
San Diego	Qualcomm Stadium	1997	78	78	100%
Washington	FedEx Field	1997	250	70	28%
Oakland	Oakland Coliseum (rehab)	1996	200	200	100%
Carolina	Bank of America Stadium	1996	248	52	21%
Jacksonville	Everbank Field	1995	121	121	100%
St. Louis	Edward Jones Dome	1995	280	280	100%
Atlanta	Georgia Dome	1992	214	214	100%
Miami	Sun Life Stadium	1987	115	11	10%
	Total: 1987-2008 – 25 projects		$7,022	$5,227	74%
	Total: 2009-2017 – 7 projects		$7,491	$1,877	25%

Reprinted and updated from Baade and Matheson (2013)

Table 2: Estimated total tax payments for the 49ers if the stadium was under private ownership

1	2	3	4	5
Year	**Net operating income[25]**	**Depreciation**	**PSLs**	**Interest**
1	157,700,000	(32,641,026)	554,600,000	(27,000,000)
2	157,700,000	(32,641,026)		(26,434,284)
3	157,700,000	(32,641,026)		(25,840,281)
4	157,700,000	(32,641,026)		(25,216,579)
5	157,700,000	(32,641,026)		(24,561,692)
6	157,700,000	(32,641,026)		(23,874,060)
7	157,700,000	(32,641,026)		(23,152,047)
8	157,700,000	(32,641,026)		(22,393,933)
9	157,700,000	(32,641,026)		(21,597,913)
10	157,700,000	(32,641,026)		(20,762,092)
11	157,700,000	(32,641,026)		(19,884,481)
12	157,700,000	(32,641,026)		(18,962,988)
13	157,700,000	(32,641,026)		(17,995,421)
14	157,700,000	(32,641,026)		(16,979,476)
15	157,700,000	(32,641,026)		(15,912,734)
16	157,700,000	(32,641,026)		(14,792,654)
17	157,700,000	(32,641,026)		(13,616,570)
18	157,700,000	(32,641,026)		(12,381,682)
19	157,700,000	(32,641,026)		(11,085,050)
20	157,700,000	(32,641,026)		(9,723,586)
				TOTAL:
			TOTAL w/o property taxes	

[25] Includes $150 million in annual income and an additional $7.7 million in naming rights (which are not shared in the private ownership scenario).

Table 2: Estimated total tax payments for the 49ers if the stadium was under private ownership (continued)

1	6	7	8	9	10
Year	**CA taxes**	**Federal taxes**	**Property tax**	**Total**	**Discounted Total**
1	56,412,175	203,607,110	14,512,200	274,531,485	261,458,557
2	7,435,544	26,836,931	14,512,200	48,784,675	44,249,139
3	7,488,054	27,026,454	14,512,200	49,026,708	42,351,113
4	7,543,189	27,225,452	14,512,200	49,280,841	40,543,470
5	7,601,081	27,434,400	14,512,200	49,547,682	38,821,905
6	7,661,868	27,653,796	14,512,200	49,827,864	37,182,319
7	7,725,694	27,884,162	14,512,200	50,122,056	35,620,809
8	7,792,711	28,126,046	14,512,200	50,430,957	34,133,657
9	7,863,079	28,380,024	14,512,200	50,755,303	32,717,321
10	7,936,966	28,646,701	14,512,200	51,095,867	31,368,430
11	8,014,547	28,926,711	14,512,200	51,453,458	30,083,771
12	8,096,007	29,220,723	14,512,200	51,828,929	28,860,287
13	8,181,540	29,529,435	14,512,200	52,223,174	27,695,064
14	8,271,349	29,853,582	14,512,200	52,637,131	26,585,328
15	8,365,649	30,193,937	14,512,200	53,071,786	25,528,437
16	8,464,664	30,551,310	14,512,200	53,528,174	24,521,873
17	8,568,630	30,926,551	14,512,200	54,007,381	23,563,241
18	8,677,794	31,320,554	14,512,200	54,510,548	22,650,259
19	8,792,416	31,734,258	14,512,200	55,038,874	21,780,751
20	8,912,770	32,168,646	14,512,200	55,593,616	20,952,649
TOTAL:	209,805,728	757,246,782	290,244,000	1,257,296,510	850,668,382
TOTAL w/o property:	235,463,298	849,852,033		1,085,315,331	743,505,100

Table 3: Estimated total tax payments for the 49ers under public ownership

1	2	3	4	5	6	7	8
Year	**Net operating income**	**Rent**	**CA taxes**	**Federal taxes**	**Property tax**	**Total**	**Discounted Total**
1	150,000,000	(24,500,000)	11,094,200	40,042,030	-	51,136,230	48,701,171
2	150,000,000	(24,500,000)	11,094,200	40,042,030	-	51,136,230	46,382,068
3	150,000,000	(24,500,000)	11,094,200	40,042,030	-	51,136,230	44,173,398
4	150,000,000	(24,500,000)	11,094,200	40,042,030	-	51,136,230	42,069,903
5	150,000,000	(24,500,000)	11,094,200	40,042,030	-	51,136,230	40,066,574
6	150,000,000	(24,500,000)	11,094,200	40,042,030	-	51,136,230	38,158,642
7	150,000,000	(24,500,000)	11,094,200	40,042,030	-	51,136,230	36,341,564
8	150,000,000	(24,500,000)	11,094,200	40,042,030	-	51,136,230	34,611,013
9	150,000,000	(24,500,000)	11,094,200	40,042,030	-	51,136,230	32,962,870
10	150,000,000	(24,500,000)	11,094,200	40,042,030	-	51,136,230	31,393,209
11	150,000,000	(24,500,000)	11,094,200	40,042,030	-	51,136,230	29,898,295
12	150,000,000	(24,500,000)	11,094,200	40,042,030	-	51,136,230	28,474,566
13	150,000,000	(24,500,000)	11,094,200	40,042,030	-	51,136,230	27,118,635
14	150,000,000	(24,500,000)	11,094,200	40,042,030	-	51,136,230	25,827,271
15	150,000,000	(24,500,000)	11,094,200	40,042,030	-	51,136,230	24,597,401
16	150,000,000	(24,500,000)	11,094,200	40,042,030	-	51,136,230	23,426,096
17	150,000,000	(24,500,000)	11,094,200	40,042,030	-	51,136,230	22,310,568
18	150,000,000	(24,500,000)	11,094,200	40,042,030	-	51,136,230	21,248,160
19	150,000,000	(24,500,000)	11,094,200	40,042,030	-	51,136,230	20,236,343
20	150,000,000	(24,500,000)	11,094,200	40,042,030	-	51,136,230	19,272,707
		TOTAL:	221,884,000	800,840,600	-	1,022,724,600	637,270,454

Table 4: Tax savings

	Taxes paid (discounted to NPV)		
	Private ownership	**Public Ownership**	**Savings**
Total taxes	850,668,382	637,270,454	213,397,928
Total taxes excluding property taxes	743,505,100	637,270,454	106,234,646