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**File ID:** 2024-01934

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**Discussion Item 15.**

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**Preliminary Term Sheet for the Development of a Soccer Stadium for Sacramento Republic FC, Historic Central Shops Live Entertainment Venue, and Railyards Infrastructure**

File ID: 2024-01934

**Location:** Downtown Railyards, District 4, Represented by Mayor Steinberg

**Recommendation:** Pass a **Motion** approving the Sacramento Republic FC Preliminary Term Sheet (Term Sheet).

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**Attachments:**

1-Description/Analysis

2-Sacramento Republic FC Term Sheet

**Description/Analysis**

**Issue Detail:** In recent years, the Sacramento Railyards has seen significant investments in infrastructure and new vertical housing development with the completion of the senior affordable Wong Center (senior affordable housing project) and soon-to-be completed AJ (mixed use, mixed incoming housing project). The infrastructure investments have assisted in the development of a new Kaiser hospital, which is now in the design stages. Despite this progress, the approximately 220-acre site with its iconic historic shops and key location, still demands additional commercial projects to maximize its potential. The proposed Term Sheet provides the framework for two long-awaited public-private partnerships that will catalyze the revitalization of the Railyards and the entire downtown, as well as stimulate millions in economic, cultural, and sports activity.

The first partnership is with Indomitable Ventures, LLC, ("Indomitable") a limited liability company newly formed by Sacramento Republic FC, Sacramento's premier USL soccer team. Indomitable has

presented to the City a viable plan for construction and operation of a new expandable 12,000 seat state-of-the-art, outdoor multi-purpose stadium ("Stadium") that will serve as the home for the Sacramento Republic FC ("Team") as well as concerts, other sporting events, and community events. Indomitable would also construct all the infrastructure for the Stadium area and for planned ancillary development near the Stadium.

The second partnership is with the master developer for the Railyards, Downtown Railyard Venture, LLC ("DRV"), for development of a proposed new entertainment venue in the historic Central Shops and for related Railyards infrastructure.

For its part, the City's proposed investment in both partnerships would be through revenues generated by expanding the existing Stadium Enhanced Infrastructure Financing District from 31 acres east of 7<sup>th</sup> Street, to now include the entire 220-acre site.

The Term Sheet sets forth the key terms, process, and framework by which the parties agree to negotiate definitive documents and potential approvals to be considered by the City regarding the financing, ownership, design, construction, and use of the Stadium and entertainment venue project. It is preliminary and non-binding and serves as a good-faith agreement and guideline. The definitive legal documents may contain additional terms that are agreed to by the parties and that the City determines to be feasible.

### **Summary of Key Terms - Stadium**

The Stadium would be in the area east of 7<sup>th</sup> Street in the Railyards. Indomitable has reached a tentative agreement with DRV to acquire 31 acres, which would include the Stadium site (14 acres) and adjacent development sites (17 acres). Indomitable would pay for and own the Stadium and be responsible for all aspects of the Stadium design, finance, construction, operation, maintenance, capital repairs, and improvements. The estimated total development cost of the Stadium and related infrastructure is \$217 million, with the stadium making up \$175 million of that amount. The ancillary development that is anticipated to be built around the Stadium, which is envisioned to include residential, commercial, and a potential hotel, could double the amount of total investment in the Stadium area.

### **Non-Relocation Agreement:**

The Team would enter into a binding and enforceable stand-alone non-relocation agreement with the City that includes specific performance and injunctive relief provisions, pursuant to which the team will irrevocably and unconditionally commit and guarantee to play home pre-season, regular season, and post-season games at the Stadium for a term coterminous with the period of City/EIFD investment, subject to a limited number of league-approved neutral site games and other customary exceptions.

City Services:

At all events, Indomitable would be required to reimburse the City for its municipal service costs, including police, fire, emergency medical services, code enforcement and traffic control. To support start-up operations, and for a period of ten years, the City would waive such reimbursement for off-site municipal services provided in the public right-of-way (not inside the Stadium, on the Stadium site, or parking sites) for USL soccer events up to a maximum of \$300,000 per year (adjusted for inflation). Indomitable would reimburse the City for municipal costs over \$300,000 in any given year. The estimated cost for these City services is between \$6,500 and \$12,000 per soccer event.

Digital Signage Plan:

City staff would present to City Council for consideration a proposed Railyards signage program along with any required amendments to the City Code to provide Indomitable with up to seven digital sign locations. There would be no cost to the City except for the administrative cost in processing the revisions to the code and any necessary leases or contracts.

Training Complex:

Indomitable has committed to work in good faith to locate the Team's primary training complex in the City of Sacramento. The training complex would include a new, first-class, state-of-the art facility that would serve as the primary training complex for the Team.

Community Benefit Programs:

*Charitable Contributions* - Cash contributions on average of \$75,000 per year to Sacramento charities and non-profits. Total cash contribution of approximately \$4.5 million.

*Free Community Youth Soccer Clinics* - Club will host 1,000 youth participants per year at club clinics in underserved neighborhoods in Sacramento (estimated at \$50 per person per clinic). Total cash value of estimated \$3 million.

*Complimentary Tickets* - Donations of 100 tickets per game for use of Sacramento charities and non-profits. Total donated value estimated \$3.6 million.

*Soccer Field and Futsal Court Construction* - Annual builds or upgrades of one soccer field or futsal court in Sacramento for public use. Total value of approximately \$1 million.

*Volunteer Hours* - Club staff commitment of 2,500 volunteer hours per year (average of \$20 per hour)

to Sacramento charitable organizations. Total estimated value of \$3.75 million.

*Public access* - Public access to the open space, park, and trail areas around the Stadium when the site is not scheduled for an event.

*Public Sector Tickets* - The Investor Group would provide the City with ten club seats and associated parking to all ticketed events held at the stadium. Distribution of tickets would be subject to the City's ticket distribution policy.

### **Summary of Key Terms - Railyards Central Shops and Railyards Wide Infrastructure:**

#### **Entertainment Facility**

The second project (more fully described in Exhibit 7 of the Term Sheet) includes the terms between the City and DRV that would yield a new 3,600-person capacity live entertainment facility in the historic Central Shops, the hub of this Railyards iconic historic district, and construction of additional backbone infrastructure to support development of additional residential development (affordable and market rate), retail, office, and open space. It is anticipated that the entertainment venue project and related infrastructure may cost approximately \$95 million.

#### **Signage Plan:**

City staff would present to City Council for consideration a proposed Railyards signage plan along with any required amendments to the City Code. Off-site billboards are also anticipated to be pursued by Indomitable. There would be no cost to the City except for the administrative cost in processing the revisions to the code and any necessary leases or contacts.

### **City Investment Commitments in Term Sheet**

#### **Enhanced Infrastructure Financing District:**

The City would pursue the establishment of an expanded Railyards Stadium Area Enhanced Infrastructure Financing District (EIFD), which would be in place for a maximum of 45 years. The district would be established for the purposes of reimbursing Indomitable, DRV, or the City for costs associated with public infrastructure improvements that support the two projects and additional development within district boundaries. Indomitable would be responsible for securing its financing and other funding sources required to design and construct the required infrastructure, currently estimated at \$42 million. After Indomitable is reimbursed, EIFD revenue (estimated to be \$518 over 45 years) would be split between the City and DRV until the City received \$14 million (described below) and DRV reimbursed for costs to develop the Central Shops and Railyards infrastructure, which reimbursement would be capped at \$50 million. The reimbursement would not exceed the

inflation-adjusted cost of the infrastructure improvements minus any publicly funded infrastructure grants. All of the infrastructure and allocations would be included in the EIFD's Infrastructure Finance Plan and be subject to the approval of the EIFD's Public Finance Authority.

The reimbursements would be limited to net-new incremental property tax revenue that is directly derived from the Railyards development proposed within the EIFD boundaries. The EIFD would capture property tax revenue that would otherwise be deposited into the City's Innovation and Growth Fund. No EIFD reimbursements would be provided for the Stadium-site construction work. The City has no financial obligation if incremental property tax revenue generated is inadequate to cover the reimbursements to Indomitable and DRV.

### Property Purchase

The Term Sheet also outlines a potential City purchase of two parcels west of 7<sup>th</sup> street, Lots 40 (north of H Street, west of 5<sup>th</sup> Street) and Lot 44 (north of G Street, between 5<sup>th</sup> and 6<sup>th</sup> Streets). These two parcels equaling approximately 3.5 acres, are vital for buildout of the Sacramento Valley Station Area Plan, and provide an opportunity to entice new private development around the Station. The purchase price for these parcels is \$91.56 per sq. ft., less than the average market value, for a total of \$14,000,000.

**Policy Considerations:** Development of a new state-of-the-art multi-purpose outdoor stadium and a separate entertainment venue in the Downtown Sacramento Railyards will contribute to the cultural and economic development of Sacramento and the region. These attractions would further anchor downtown as the region's center of entertainment and cultural activity and provide Sacramento with a first-class outdoor venue for sports, entertainment, and cultural events. Both the construction and operation of the stadium and the entertainment venue would provide direct and indirect jobs. In addition, these projects will accelerate other investment and development in the Railyards, Downtown, River District, and other areas.

**Economic Impacts:** It is estimated that the total costs for the two projects outlined above along with ancillary infrastructure will be \$321 million. The \$175 million Stadium project is anticipated to generate 910 jobs (525 direct and 325 indirect) and the entertainment venue is anticipated to generate 390 jobs (225 direct and 165 indirect) with the over \$90 million in infrastructure anticipated to generate an additional 360 jobs (210 direct and 150 indirect). Source: Center for Strategic Economic Research (CSER) IMPLAN Model.

In addition, the economic impacts associated with the development on the 17 acres adjacent to the Stadium, Sacramento Valley Station, and the balance of the Railyards will have an impact that is multiple times that of the Stadium and infrastructure development. Additionally, the Team, Stadium, and entertainment venue will also generate economic output from their operations, significant jobs during construction and sales tax from the events and Transit Occupancy Tax (TOT) from additional

hotel stays.

**Environmental Considerations:**

**California Environmental Quality Act** - The actions in this report are exempt from the California Environmental Quality Act (CEQA) under CEQA Guidelines (14 Cal. Code Reg. Section 15000 et seq.) as they concern proposed business terms for future agreements. If Council approves the Term Sheet, elements included in the Term Sheet, such as the Stadium, entertainment venue, digital billboards, and a practice facility may be subject to further CEQA analysis.

**Sustainability:** The proposed site is well suited for sustainable development. Regional Transit's light rail system runs along the western boundary of the Stadium site and a station is proposed near the Stadium.

Catalyzing the redevelopment of the Railyards, as well as the adjacent Sacramento Valley Station, will further the City's goal of growth in downtown Sacramento with a walkable, livable district with a robust network of alternative transportation modes, eliminating on-site parking demand for transit users, and reducing greenhouse gas emissions.

**Commission/Committee Action:** Not applicable.

**Rationale for Recommendation:** Approval of the Term Sheet would allow two catalytic projects to proceed and would result in over \$321 million in new investment. Indomitable will be poised to complete the acquisition of property in the Railyards to construct a new state-of-the-art outdoor stadium downtown and bring the dynamic Sacramento FC games to downtown. DRV will be positioned to bring an exciting new entertainment venue to the historic Central Shops, thus establishing a new chapter for these iconic landmark buildings.

These developments will serve as economic catalysts for, and contribute to the continued revitalization of, the Downtown Railyards, the River District, the greater downtown area, and the region. It would ensure that the City has a suitable outdoor entertainment and sports venue and enhance the entertainment and cultural opportunities in downtown and the region. They will stimulate economic benefits to the City, including sales taxes, parking revenue, and jobs and spur additional development and build-out of the Railyards transforming this large, vacant infill site into a vibrant new addition to downtown, realizing a long-awaited vision for its redevelopment potential.

These two projects will be assisted primarily utilizing funds generated by the projects themselves as the main public funding source will be the tax increment created by the projects.

**Financial Considerations:** The City's financial obligations outlined in the Term Sheet are

summarized below. If the Term Sheet is approved, specific financial actions required will be outlined in definitive agreements that would be presented to Council for consideration.

The Stadium, entertainment venue, and related area-wide infrastructure would be privately financed by the Indomitable and DRV. The City would pursue the establishment of an expanded Railyards Enhanced Infrastructure Financing District (EIFD) to reimburse Indomitable or DRV for privately-financed infrastructure identified in an Infrastructure Finance Plan approved by the Public Finance Authority for the EIFD. The Term Sheet includes a distribution from the EIFD as follows:

- Providing Indomitable 100% of the revenue from the Stadium Area and a split between Indomitable, DRV, and the City of 40% / 40% / 20% from the Expanded Area until Indomitable gets \$42M for infrastructure reimbursement. Once they receive that amount, the split between DRV and the City goes to 50% / 50% of the Total Area until the City gets \$14M and DRV gets \$50M for infrastructure reimbursement.

The Term Sheet includes a provision by which the City would waive reimbursement for municipal services for off-site police, fire, emergency medical services, traffic control, and code enforcement for Stadium events for up to a maximum of \$300,000 per year for a ten-year period (adjusted for inflation). If City municipal service costs exceed this threshold in any fiscal year, the Indomitable would reimburse the City. Funding for this reimbursement is anticipated to come from the General Fund.

The Stadium project would be privately financed by Indomitable. The City would reimburse Indomitable for an amount equal to the City-imposed building excise taxes paid on the stadium construction pursuant to Chapter 3.36 of the Sacramento City Code, estimated at \$181,000.

The potential property purchase of Lots 40 and 44 included in the Term Sheet would be funded from funds remaining from the 2015 sale of the Sheraton (Fund 2030) of \$14 million. These funds were identified in the original Sheraton sale documents as being designated for use on projects in the downtown area.

The proposed Term Sheet is non-binding and any required allocations from the City will be incorporated into the definitive legal documents, which will require further City Council approval.

**Local Business Enterprise (LBE):** None required at this time. However, under the preliminary terms of agreement, Indomitable, in cooperation with its general contractor, would establish goals for regional business and employment programs.

**Background:** Republic FC played its first USL game on March 29, 2014. In its inaugural season, Republic FC demonstrated significant success both on and off the pitch. On the business side, Republic FC set new league records in several categories, including most notably overall attendance,

season ticket sales, merchandise sales, and corporate sponsorship revenues. Republic FC has shared that success with the community by working with hundreds of non-profits and other charitable organizations in the Sacramento region to promote health and education, especially with the underserved youth, raising funds and awareness for charitable initiatives, and directly donating cash and in-kind contributions. On the pitch, Republic FC placed second in the league during the regular season and went on to win the 2014 USL Pro Championship. Republic FC has made the playoffs in every subsequent season and continues to be one of the most successful franchises on and off the field in USL history. The City has been endeavoring to bring a soccer stadium to the Railyards since 2018. A previous term sheet was approved by Council for a Soccer stadium in 2019.

On the other side of the Railyards are the Historic Central Shops, consisting of eight historic buildings from the original Central Pacific Railroad Yard, constructed between 1868 and 1917. The Central Shops District was one of the largest industrial sites in the country in the early 20th century and played a fundamental role in the history of California and the development of the economy. These eight historic buildings from the original Central Pacific Railroad Yard will be adaptively reused as the centerpiece for the Central Shops District.

The first phase of redevelopment of the Central Shops is envisioned to be the Paintshop with rehabilitation to accommodate a 3,600 attendee live entertainment venue. The Paintshop project received Site Plan and Design Review approval from the City in 2021, however, the project has been unable to move into the construction phase due to rising costs.



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The City of Sacramento ("**City**"), in recognition of the public benefits to be derived as outlined herein, and Indomitable Ventures, LLC ("**Indomitable**"), have reached a preliminary agreement on a public-private partnership that would result in the development of an expandable 12,000 seat state-of-the-art, outdoor multi-purpose stadium ("**Stadium**") that will serve as the home for the Sacramento Republic FC ("**SRFC**"), and all related infrastructure in the Downtown Sacramento Railyards ("**Railyards**"). Indomitable has entered into an agreement with Sac Soccer & Entertainment Holdings, LLC ("**SSEH**") to acquire the controlling interest in Sacramento's professional United Soccer League Championship ("**USLC**") soccer team, SRFC. Indomitable and its affiliates would lead the design, finance, construction, and operation of the Stadium, and as well, the operation of SRFC. Indomitable has reached an agreement with Downtown Railyard Venture, LLC ("**DRV**") to acquire the Stadium site and additional property adjacent to the Stadium for ancillary real estate development purposes ("**USL Property**").

This Stadium Preliminary Term Sheet ("**SPTS**") sets forth the key terms, process, and framework by which the parties agree to negotiate definitive documents and potential approvals to be considered by the City regarding the potential location, financing, ownership, design, development, construction, operation, use, and occupancy of a new, first-class, state-of-the art, multi-purpose Stadium that will host sporting events, concerts, community-oriented events, and numerous other activities. The parties agree to prepare definitive legal documents that contain the basic terms set forth herein with other agreed terms consistent with this SPTS that are customarily included in similar agreements for the location, financing, ownership, design, development, construction, operation, use, and occupancy of comparable facilities.

Indomitable, or its affiliates, will lead the planning, design, development, and construction of the Stadium, along with associated infrastructure. Indomitable will have final decision-making authority for that process (with the exception of public infrastructure), subject to City review and the provisions included herein, but the entire process will be a cooperative, mutual endeavor in which the parties actively participate and work together in good faith and with due diligence. The definitive documents will identify the legal entities participating in the proposed transaction. Indomitable and possibly other related entities will further lead the development of ancillary real estate adjacent to the Stadium.

The City Council has already taken action to implement several terms associated with

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the Stadium effort. Those actions include but are not limited to: (i) approving entitlements for a stadium and certain parking rights; (ii) establishing the Stadium Area EIFD to support the financing of infrastructure in and around the Stadium; and (iii) amendment of the City Sign Code relative to highway digital billboards and digital displays associated with major event venues subject to further review and approval that may be required based on the specific locations, size, site control and other considerations as proposed by Indomitable.

Apart from, but integral to, the terms outlined herein, both the City and Indomitable intend to enter into separate agreements with DRV to facilitate the broad development objectives of both Indomitable and DRV. The Parties acknowledge the interdependence of and reliance upon those separate agreements in fulfillment of this SPTS terms and objectives. Attached hereto as Exhibit 7 is a Railyards Wide & SVS Preliminary Term Sheet ("**RYSVSTS**") related to transactions between the City and DRV that are interdependent on the terms of this SPTS.

Although this Preliminary Term Sheet contains the proposed, non-binding framework of a potential transaction that the City has agreed to process, the parties agree that no obligation to enter into definitive transaction documents, or any transaction, exists and no project or definitive transaction documents will be approved until after (i) the relevant project components are reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA), (ii) any additional conditions or changes based on the CEQA review have been resolved in a manner acceptable to the City and Indomitable, and (iii) all required permits and approvals have been obtained by the parties in accordance with applicable laws and regulations. Furthermore, the City's consideration for approval of definitive transaction documents is contingent and dependent upon contractual or other satisfactorily binding assurances that the financings for all infrastructure, public improvements, and anticipated projects will be sufficient to achieve the Parties' intentions, regardless of such things as changes in land ownership, corporate restructurings, or third-party agreements.

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Parties	<p>City of Sacramento (City)</p> <p>Indomitable- Parent company that owns and controls Stadium affiliates described herein (and possibly others).</p> <p>Indomitable, or affiliate, responsible for acquiring, owning, developing, constructing, and operating the Stadium.</p> <p>Indomitable, or affiliate, responsible for operating the Team.</p> <p>Note: The definitive legal documents will identify the legal entities formed to acquire the operating rights, develop the Stadium and perform the other obligations anticipated by this SPTS. For example, if Indomitable or its affiliate is identified under this SPTS as the responsible entity, either that entity, or another Indomitable-controlled entity will perform that obligation, as set forth in the definitive documents.</p>
Stadium Ownership	<p>The Stadium and the land on which the Stadium will be developed shall be owned by Indomitable or its affiliate. The ownership structure and assignment and assumption of the Amended and Restated Development Agreement For Sacramento Railyards Project, between the City of Sacramento and Downtown Railyard Venture, LLC (City Agreement Number 2008-0150-1), as amended from time to time (“Railyards DA”) shall be detailed in the definitive legal documents, which may include appropriate refinements to the terms in this SPTS.</p>
Stadium Location	<p>Indomitable or its affiliate is responsible for assembling a development site sufficient to build the Stadium. The Stadium is proposed to be located at the Railyards on property currently owned or controlled by DRV. See Exhibit 1 for a map that illustrates the Stadium location.</p>
Stadium Description	<p>The Stadium shall be a new, first-class, state-of-the art, outdoor multi- purpose stadium that will serve as the home of SRFC, and will also host sporting events, concerts, community-oriented events, and numerous other events that Indomitable or its affiliate may elect to host at the Stadium, in its discretion. As a modern state-of-the-art facility, the Stadium will comply with all building codes, including energy codes in Title 24, City codes, including Greenhouse Gas Emissions codes, and best practices for efficiency measures and design. See Exhibit 2 for a summary</p>

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	<p>description of the Stadium's preliminary program elements. The definitive agreements will contain a more detailed description of program elements.</p>
<p>Stadium Sources and Uses of Funds</p>	<p>Except as otherwise specified herein, Indomitable or its affiliate shall be responsible for securing its financing and other funding sources required for the planning, construction, and development of the Stadium. The Stadium construction and development costs are currently estimated at \$175 million. This cost estimate does not include infrastructure costs and Private Fee estimated at \$51.77 million. Sources and Uses are outlined in Exhibit 3.</p> <p>The City will actively and aggressively pursue all options to support DRV and or Indomitable in obtaining grant funding for the implementation of infrastructure.</p>
<p>Stadium Development</p>	<p>The City and Indomitable or its affiliate intend to work together in a collaborative and cooperative manner to develop the Stadium in a commercially reasonable manner.</p> <p>Indomitable or its affiliate shall be responsible for, and shall lead all phases of the planning, design, land acquisition, development, and construction of the Stadium and related infrastructure. The City is committed to processing all Stadium construction permits and other required approvals, such as Site Plan and Design Review, in a timely and efficient manner, preemptively assigning "Expedited Review" status to all submittals, given the significance of the project and its benefit to the City and region.</p> <p>The Stadium preliminary program is contained in Exhibit 2, which sets forth the intended size and components to be implemented through the design and construction of the Project. The Stadium shall be constructed in accordance with the program elements and the Quality Standard (as defined below). The "Quality Standard" for the Stadium shall be first-class and state-of-the-art, comparable to other USLC facilities. The standard of quality and design of the project shall be comparable, taken as a whole, to the standard of quality used in the design and construction of the facilities to which the Parties agree after the date of this Preliminary Term Sheet (examples in</p>

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	<p>Exhibit 8). The stadium will be "expandable;" that is, it will be built in such a way that it can reasonably be permanently modified and expanded to seat over 20,000 people, as well as accommodate other non-sporting events.</p> <p>Notwithstanding the foregoing, the City retains its full discretion regarding the granting of any and all necessary approvals required under the law, but will not unreasonably withhold, condition, or delay its approval of any such approvals.</p>
Stadium Schedule	<p>The City and Indomitable shall work cooperatively and make all commercially reasonable efforts to open the Stadium for the 2027 USL season (as soon as reasonably possible) and shall promptly after the date hereof agree upon a schedule of milestones regarding CEQA (as applicable), permits, and other important events to meet such timetable.</p> <p>The City agrees to assign the appropriate City Manager's Office, planning, engineering, building, safety, and other staff to enable the Parties to achieve the timeline.</p>
Pre-Development Expenses (Stadium)	<p>Indomitable or its affiliate shall be responsible for all expenses associated with predevelopment, including but not limited to all architectural, geo- tech, engineering, environmental, market studies, and other costs related to the Stadium development.</p> <p>Indomitable or its affiliate shall pay all fees and costs normally paid by a developer for the processing of a private project of this type.</p> <p>The City shall be responsible for all other City staff time expended for other predevelopment and development of the Stadium (for example, executive-level management and general in-house legal support in execution of the public-private partnership and financing elements).</p> <p>Pursuant to Chapter 18.52 of the Sacramento City Code, Sacramento Downtown Railyard Stadium specific fees (1-5/Richards interchange fee, community facilities fee, and PFF administration fee) will be deferred until the earliest to occur of (a) the initiation of final inspection of the Stadium, (b) the expiration of the building permit for the project, or (c) three years</p>

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	<p>from the effective date of the deferral agreement, as permitted in Chapter 18.52.</p> <p>The City shall rebate to Indomitable within a reasonable period of time an amount equal to the City-imposed building excise taxes paid by Indomitable on the Stadium construction pursuant to Chapter 3.36 of the Sacramento City Code.</p> <p>Each Party shall be responsible for paying for its third-party consultant costs following execution of this SPTS, unless the scope of the City's participation or obligations changes such that the City requires consultant services beyond those normally required for a project of this type, in which case the Parties shall execute a pre- development expenses reimbursement agreement.</p>
Business Cooperation Program – Use Tax Rebate	<p>Indomitable shall require all contractors and subcontractors performing any work on the Stadium (including the Stadium contractor, architect, pre-construction consultant, and owner's representative) to perform use tax self-accrual by obtaining a Use Tax Direct Payment Permit from the State Board of Equalization, thereby ensuring that all use taxes generated during the construction period in connection with all eligible purchases of materials, fixtures, furniture, machinery, equipment, and supplies, for the Stadium are allocated directly to the City, and the City receives its full share of the use taxes payable in connection therewith. Upon completion of the Stadium, and following a reasonable period for the City to confirm/validate the additional use taxes received by the City in connection with the construction of the Stadium through this approach (as compared to amount that would have been received by the City without this approach), the City shall rebate to Indomitable an amount equal to the additional amount of use tax directly generated by the construction of the Stadium and documented through the Use Tax Direct Payment Permit process. Per State regulations, this only applies to each contractor/subcontractor whose contract is \$5.0 million or more.</p>
Completion Guarantee and Cost Overruns (Stadium)	<p>Indomitable or its affiliate shall use commercially reasonable efforts to cause the general contractor responsible for the construction of the Stadium to provide a separate, written project</p>

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	completion guarantee(s) consistent with the schedule referred to above, and Indomitable shall provide cost- overrun protection covering all elements of the development, construction, and delivery of the Stadium, consistent with all applicable USL and financial industry standards. Such guarantees will be consistent with industry standards.
Regional Business and Employment Programs	<p>To enhance the economic benefits to the region and its residents, and to provide for the safe, timely, and cost-effective construction and operation of the Stadium, Indomitable or its affiliate and its selected construction contractor shall develop regional business and employment goals and programs. The effort shall be led by Indomitable or its affiliate and its selected general contractor for Stadium construction. Programs shall be established in partnership with community stakeholders and the City. The effort shall include at a minimum:</p> <ul style="list-style-type: none"> <li>• Construction apprenticeship programs, including specific goals and programs for recruiting and hiring of local disadvantaged workers into apprenticeship programs.</li> <li>• Specific goals and programs for hiring local and small business enterprises for professional services, construction, and supplies.</li> <li>• Outreach, education, and training workshops for recruitment of disadvantaged workers, qualified subcontractors, and targeted businesses.</li> <li>• Approaches to reduce entry barriers and augment hiring pathways to match local small business capacities.</li> </ul>
Disadvantaged / Youth Hiring	Following the opening of the Stadium, Indomitable or its affiliate shall use commercially reasonable efforts to develop and implement programs to recruit, train, and employ disadvantaged persons and youth within Sacramento.
CEQA	No legal obligations to approve the project elements, any required permits, or the transaction will exist unless and until the Parties have negotiated, executed, and delivered definitive agreements based upon information produced during any environmental review process and on other public review and hearing processes, subject to all applicable governmental approvals, including CEQA (as applicable).

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Non-Relocation - Team	<p>The Team shall enter into a binding and enforceable stand-alone non- relocation agreement with the City that includes specific performance and injunctive relief provisions, pursuant to which the Team will irrevocably and unconditionally commit and guarantee to play the majority of all of its home pre-season, regular season, and postseason games at the Stadium for a term that coincides with the period of City’s financial contribution for the Stadium infrastructure subject to a limited number of league-approved neutral site games and other customary exceptions, including "untenantability periods" (e.g., the period following any damage or destruction to the Stadium, condemnation and other force majeure events and reasonable time period for the expansion of the Stadium for operational or other long term benefits for the Team) or limited anniversary matches at other Sacramento-based locations such as Hughes Stadium. The non- relocation agreement shall contain further customary terms that prohibit the Team from relocating from the City and require the Team to maintain its USL (or MLS if applicable) membership during such term. During the term of the non-relocation agreement, the Team shall not relocate from the City, shall not apply to USLC (or MLS if applicable) to transfer to another location outside of the City, shall not enter into or participate in any negotiations or discussions with, or apply for, or seek approval from, third parties with respect to any agreement, legislation, or financing that contemplates or would be reasonably likely to result in, any breach of the non-relocation agreement, and shall have no right to terminate the non-relocation agreement during the term of the lease agreement, in each case except as provided in the definitive non- relocation agreement.</p>
Stadium Management	<p>Indomitable or its affiliate shall manage and operate the Stadium. Indomitable or its affiliate may elect to hire a private management company experienced in the management of comparable facilities to manage the Stadium. The Stadium shall be operated in a first-class manner, similar to and consistent with that of other comparable facilities that serve as the homes of USLC teams.</p> <p>Indomitable or its affiliate shall be solely responsible for all aspects of the Stadium operation, including the booking of non-</p>



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	Team events.
Capital Contribution	Indomitable or its affiliate shall be responsible for all costs associated with the development of the Stadium, including parking pursuant to amendment and partial assignment of the Exhibit P of the Railyards DA, all required on-site and off-site infrastructure (except to the extent DRV is responsible for such infrastructure), and other related project expenses, except as noted herein. Indomitable shall have the right, but not the obligation, to secure third-party debt financing and third-party equity investment for its capital contribution.
Ancillary Real Estate Development	Indomitable has reached a contingent agreement with DRV to acquire additional property adjacent to the Stadium for ancillary real estate development purposes. Indomitable acknowledges the strategic and economic importance of this ancillary real estate development opportunity to the City and the continued efforts to redevelop the Downtown Sacramento Railyards and shall use commercially reasonable efforts to develop the property as promptly as practicable after the Stadium opening date, taking into account resources necessary to develop and operate the Stadium. The City is committed to processing all construction permits and other approvals required for the ancillary real estate development in a timely and efficient manner given the significance of the project and its benefit to the City and region.
Community Facilities District	The City Manager's Office will expeditiously bring forward and recommend for Council consideration the formation of a Stadium Area Community Facilities District ("Stadium CFD") to allow the Stadium and Ancillary Development Land to be leveraged to refund the infrastructure capital, currently estimated at \$50 Million including the costs of Stadium CFD issuance. This cost reflects the approximate face value of the anticipated CFD bonds, which shall be amortized at market interest rate over the life of the bonds.
Enhanced Infrastructure Financing District	Consistent with the expanded EIFD conditions in Exhibit 7, the City Manager's Office will expeditiously bring forward and recommend for City Council consideration the establishment of an expanded Enhanced Infrastructure Financing District ("EIFD")

## SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

	<p>and prepare an Infrastructure Financing Plan (“IFP”), for a term as permitted in the California Government Code, or the termination of the definitive agreement(s), whichever is earlier, acceptable to the City in its sole discretion. The proposed recommended boundaries of the EIFD are illustrated in Exhibit 4. The EIFD will be established for the purposes of providing the primary source of funds to make the biannual payments on the Stadium CFD, reimbursing Indomitable or its affiliate, DRV and the City for costs associated with infrastructure improvements, affordable housing, and other facilities included in the Updated Railyards Infrastructure Financing Plan as specifically outlined and limited in Exhibit 4.</p> <p>This commitment will be subordinate to commitments already in place. Indomitable or its affiliate shall be responsible for, or cause others to be responsible for, securing its financing and other funding sources required to design and construct the required area-wide infrastructure, currently estimated at \$42 million to bridge the gap until the Stadium CFD bonds can be issued. Ultimate repayment of the CFD and Indomitable infrastructure reimbursements shall be funded by EIFD resources to the extent legally allowable, as outlined in Exhibit 5.</p>
<p>Digital Signage Plan (Indomitable)</p>	<p>Indomitable or its affiliate shall develop a comprehensive digital signage program for off-site signs. The City acknowledges the strategic and economic importance of the off-site digital signage program to Indomitable and the City and will work to implement a program that is acceptable to Indomitable and the City. The specifics of the proposed program shall be outlined in the definitive legal documents. City staff shall present to City Council for consideration the proposed program and any required amendments to the City's sign code to implement the program.</p> <p>The City will further cooperate in endeavoring to secure necessary planning approvals, including CEQA review and City permit processing, but shall not provide any guarantees or assurances regarding the approval, number, availability, or suitability of the sign locations.</p> <p>Any signage rights shall exist for an initial term of 35 years, or the termination of the definitive agreement(s), whichever is</p>

## SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

	<p>earlier. Indomitable or its affiliate shall be responsible for all operating and maintenance costs relating to such signage. Indomitable anticipates that the Soccer Stadium is likely to require significant maintenance, repair, and rehabilitation over the 35-year term of the signage program and City staff shall evaluate future extensions near the end of the initial term and review documentation that any of the proceeds generated by such extensions are reinvested (including reimbursements) into the Stadium facility to extend its useful life, enhance the fan experience, and otherwise improve or maintain its economic viability. Upon expiration of the term and all approved extensions thereof, upon written notice from the City rejecting transfer of ownership, Indomitable shall be responsible for the removal of the signs at the end of the term.</p> <p>Indomitable or its affiliate shall be responsible for securing all State of California approvals, site control (if any), financing, and construction for the development of the signs.</p> <p>City staff shall present to City Council (for consideration) the required amendments to the City's sign code and City ordinances to provide for up to seven off-site digital signs (including two larger format Sports Stadium signs).</p> <p>In addition to the off-site digital signs, City staff shall present to the City Council (for consideration) a sign district in the Railyards.</p>
Use and Occupancy	<p>The Stadium will host SRFC matches and will also host concerts, sporting events, community-oriented events, and numerous other events. The owners and operators of the Stadium site and the Stadium shall be subject to the limitations outlined in the project Conditional Use Permit, Noise Ordinance Variances, other City entitlements, and all other provisions of state law and City code.</p> <p>The Parties shall use commercially reasonable efforts to actively market the Stadium to promote activity and economic development in the Railyards Central City and Sacramento region.</p>

## SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

Public Sector Tickets (Stadium)	Indomitable or its affiliate shall provide the City ten club seats upon request (which may be divided into a group of six and four, and shall include amenities provided to club seat season ticket holders in the same section), and associated parking (the locations of the seats and parking to be mutually agreed upon) to all ticketed events held at the Stadium each year for any official City purpose during the term of the non-relocation agreement. Distribution of tickets will be subject to the City's ticket distribution policy.
Naming Rights	Any name proposed to be associated with the Stadium or any other project elements, as applicable, shall be tasteful and not be a cause for embarrassment to the City and shall not include any companies primarily known for tobacco products, guns, adult entertainment, cannabis, other non-pharmaceutical drugs, etc. City acknowledges that Indomitable or its main investors have regional facilities in the legal gaming space and does not object to naming rights related to, or association with, these ventures.
Stadium Parking	<p>Stadium and Ancillary Development Land are a Transit Oriented Development based on the proximity to the 7th Street, La Valentina, and Dos Rios Light Rail stations. Indomitable and City shall avail themselves of modern parking best practices to encourage utilization of existing parking facilities in the region, and lean into an emphasis on transit, bike, and pedestrian access to the Stadium. To this end, City and Indomitable shall endeavor to update and modernize the parking management for the Stadium including : (a) the Railyards DA (b) the Conditional Use Permits and Site Plan and Design Review for Stand-Alone Parking Facilities approved by the City Council on November 10, 2016, as amended; (c) all relevant parking codes and standards, as may be amended; and (d) utilization of City parking technologies with potential City management of all applicable public parking facilities.</p> <p>The City may provide market-rate parking for attendees of the venue at any of its five City-owned or managed parking locations. These off-street parking spaces will be made available for event attendees as capacity allows, taking into consideration preexisting parking demands and the City's obligations to other users. In addition to its own facilities, the City will actively</p>

## SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

	<p>collaborate with Indomitable to identify and secure additional parking options. This will involve outreach and coordination with owners and operators of other public and private parking facilities within walking, biking, or transit-accessible distance from the Stadium, as well as those served by shuttles or other mobility services, to expand parking availability during event days.</p> <p>In accordance with state law and at no cost to the City, the City Manager will support the introduction of a parking convenience fee, applied only to online parking purchases processed through the City’s SacPark reservation platform or an event ticket sales platform, offering eventgoers an easy and streamlined way to reserve parking. Notably, the City will not bear any additional costs to manage the reservation platform. The net parking convenience fee revenue would go directly to Indomitable, contingent upon agreements with the private owners of the parking spaces being utilized for these events. Furthermore, Indomitable will be responsible for marketing and promoting parking for these events and will exclusively use SacPark as the sole designated parking service provider.</p> <p>Additionally, while the City will maintain full control over its existing and future on-street metered event parking program, there will be no revenue-sharing with Indomitable. The City will continue to manage these metered spaces in a way that balances the needs of Stadium events with those of local residents and businesses in the surrounding area, ensuring minimal disruption to the community while accommodating event attendees.</p>
Training Complex	<p>Indomitable requires that the Team’s primary training complex (“Training Complex”) be available for occupancy and use at the time the Stadium opens (with a goal of early 2027) To this end, and in light of the fact that Indomitable shall be primarily responsible for the design, financing, construction, operation, and maintenance of the Training Complex, which shall be subject to public approvals and permitting as required, Indomitable requires a site, financing and design approval in 2025.</p> <p>For a term of not less than four months after Council approval of</p>

## SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

	the SPTS, Indomitable shall negotiate in good faith with the City on development of a Training Complex within the City that is a new, first-class, state-of-the-art facility.
Targeted Taxes	The City shall not impose, and shall cooperate with any efforts of Indomitable and related entities to prevent any other public entities from imposing, on all or any portion of the Stadium or the Team any special taxes, assessments, or surcharges, including special district taxes, assessments or surcharges (except for those already in place or supported by the Indomitable and related entities), that specifically target sports venues or teams. Indomitable and related entities, and its users shall pay all City taxes or assessments of general applicability.
Hotel Development	Indomitable and its affiliate have discussed development of a hotel near the Stadium. The City encourages and would support development of hotels in the Railyards.
Property Taxes	<p>Indomitable or its affiliate shall pay any and all property taxes legally owed (including taxes on possessory interests) associated with all real property interests in the Stadium and any other ancillary developments (e.g. ancillary development, Training Complex, digital signs, etc.). Indomitable or its affiliate shall be responsible for their own personal property and any other taxes related to its operations and income.</p> <p>Ownership of the USL Property is or is expected to be subject to the following in relation to the financing of development of the USL Property (collectively, "Funding Obligations"):</p> <p>1) the obligation to pay required payments for any CFDs secured by the USL Property and other property in the Railyards in accordance with the allocations set forth in the CFD documentation ("Proportionate Obligations"); and 2) the obligation to pay required payments for any CFDs secured by the USL Property separately ("Separate Obligations"); and 3) capture of revenue from a portion of future, biannual property tax payments in an amount equal to the City's entitlement to a portion of customary real estate taxes and supplementary taxes (including customary</p>

## SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

	<p>increases in both those taxes) applicable to the USL Property levied by the County of Sacramento.</p> <p>If any conveyance of ownership or possessory interest (in full or in part) of the USL Property would exempt the owners or possessors of the USL Property (or a portion thereof) from the Funding Obligations, prior to and as a condition precedent to such conveyance:**</p> <p>(a) Indomitable (or its successor), at its cost, shall satisfy and retire (1) the USL Property's proportionate share of the Proportionate Obligations and (2) the USL Property's Separate Obligations; and</p> <p>(b) The prospective fee title owner of the USL Property (or portion thereof) shall enter into a legally enforceable agreement under California and federal law, which is upon terms and conditions reasonably acceptable to the City, that:</p> <p>(1) it shall make biannual in-lieu payments to the City in an amount equal to the real estate taxes and supplementary taxes (including customary increases in both those taxes) applicable to the USL Property levied by the County of Sacramento that the City of Sacramento would have otherwise have received had a non-exempt real estate tax owner of the USL Property continued ownership thereof through the initial term of the EIFD, as established in the EIFD formation documents, and after the expiration of the initial term of the EIFD, negotiate in good faith with the City on payment in-lieu of taxes sufficient to provide for ongoing municipal services; and</p> <p>(2) provides the City with sufficient remedies to ensure the City is made whole if it fails to make the in-lieu payments described in paragraph (b)(1) above.</p> <p>** These provisions are based on assumptions about the timing of any ownership or possessory interest conveyance. If, for example, a conveyance occurs before any bonded indebtedness or formation of the EIFDs, the parties will</p>
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## SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

	<p>revisit these provisions to ensure the parties' interests are protected.</p> <p>The City Manager will recommend support of such conveyance if the requirements of paragraphs (b)(1) and (2) above have been met.</p>
Annual Operating Expenses (Stadium)	<p>Indomitable or its affiliate shall be responsible for all annual operating expenses and routine maintenance and repairs (Annual Operating Expenses) of the Stadium.</p> <p>The City shall have no responsibility for any operating expenses of the Stadium (except for incremental, out-of-pocket expenses associated with City Events and City Services defined below).</p>
Capital Repairs (Stadium)	<p>Indomitable or its affiliate shall be responsible for all Stadium capital repairs, replacements, and improvements ("Capital Repairs"). Identification of Stadium Capital Repairs shall be determined by Indomitable or its affiliate. However, Indomitable or its affiliate shall maintain the Stadium in a first-class manner so as to cause it to remain in a condition comparable to that of other USL (or MLS if applicable) facilities of similar size, design, and age, ordinary wear and tear excepted. The City shall have no responsibility for any Capital Repairs of the Stadium.</p>
City Services	<p>The City will contribute \$300,000 per year, escalated each year by the greater of 3% or the percentage change in the previous 12 months in the Bureau of Labor Statistics Consumer Price Index for All Urban Consumer (CPI-U), U.S. City Average, All Items (not seasonally adjusted, 1982 - 1984 = 100 reference base), for 10 years for City Services for Stadium events to commence concurrently with the opening of the Stadium (projected to be 2027). Near the end of the initial term, City staff shall evaluate future extensions of City services. If award of an MLS franchise occurs (or an expansion of the Stadium [for up to a minimum of 18,000 attendees] occurs), City staff will extend City Services for Stadium events to a total 35-year term. Indomitable or its affiliate shall be responsible for any City Services cost above that amount. City Services shall be provided by the City at a general level and in a manner appropriate for specific events. City Services will be provided for any Stadium event on terms to be set forth in the definitive legal documents. Indomitable or its affiliate and the City shall cooperatively evaluate appropriate public and private</p>



## SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

	<p>staffing levels for police/security, traffic control, fire prevention, emergency medical, street cleaning/trash removal, code enforcement and other similar services based upon anticipated attendance for Stadium events; however, the City shall have final approval over appropriate staffing and service levels. The City shall use a "reasonableness standard" in determining appropriate staffing and service levels. Notwithstanding the foregoing, if the City determines that an emergency public safety issue exists with respect to a particular Stadium event, the City shall have the right to determine and impose the staffing and equipment level for that event.</p>
Team Name; Corporate Headquarters (Soccer)	<p>The soccer team shall include "Sacramento" or a mutually agreed to derivative (e.g. "Sac", etc.) as the first part of the Team's name. For example, the Team must be named "Sacramento ____". The Team may not include any other geographic, city, county, or state reference in the Team name. The Team shall reasonably reference Sacramento in public statements (whether marketing, advertising, or otherwise). During the non-relocation term (and any extension) , SRFC shall maintain its corporate headquarters within the City limits if the Training Complex is within the City limits.</p>
Team Transfer	<p>Before the execution of any definitive legal documents for the sale or other transfer of all or substantially all of the assets or equity of the Team (including the Team USLC membership - for which the City shall not have any consent right with respect to such transfer), the new owner must assume any and all obligations of this SPTS. Except as provided above, any assignment of any party's rights under this SPTS is subject to the other Party's consent in its sole discretion.</p>
Community Benefits (Stadium)	<p>In addition to the benefits outlined herein, Indomitable shall provide or cause related entities to provide community benefits as outlined in Exhibit 6. Indomitable shall make commercially reasonable efforts to maximize the community benefits outlined in Exhibit 6 within the City of Sacramento. The Sacramento region may also be a beneficiary of the community benefits provided.</p>
Affordable Programs (Stadium)	<p>The Team shall make reasonable efforts to provide attractive and meaningful programs to keep the ticket prices for USLC</p>

## SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

	games held at the Stadium with an emphasis on being attractive and affordable for families in the Sacramento region.
Non-Discrimination	Indomitable, and its affiliates, agree to comply with the City's non-discrimination code requirements.
Confidentiality	The City agrees not to disclose, and to cause its affiliates and representatives not to disclose, to any third party any financial information or other confidential information provided to it pursuant to this SPTS or the definitive legal documents, to the extent permitted by law.
MLS Opportunity	City encourages Indomitable to pursue an MLS expansion team, although MLS is not currently evaluating expansion opportunities.

### EXHIBIT 1

# SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

## STADIUM LOCATION



## EXHIBIT 2

# SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

## PRELIMINARY STADIUM PROGRAM

Soccer Capacity	Approx. 12,000
Suites	+/- 145
General Admission Seats (includes Supporter Section seating)	+/- 8,800
Premium Seats (Suites, Club seats, Loge seating)	+/- 3,000
SRO	+/- 280
Space Type	<u>Gross Square Feet</u>
Classification 1: Spectator & Stadium Bowl Facilities	+/- 125,000
Classification 2: Premium Facilities	+/- 40,000
Classification 3: Circulation (in structure, not on grade)	+/- 12,000
Classification 4: Food, Retail, & Spectator Facilities	+/- 30,000
Classification 5: Team Facilities & Training Area	+/- 20,000
Classification 6: Media Facilities	+/- 5,000
Classification 7: Event Facilities & Operations Support	+/- 4,000
Classification 8: Standing Room Only decks	
Classification 9: Mechanical, Electrical, Vertical Circulation, Storage	+/- 24,000
Estimate of Gross Building Square Footage (G.S.F.)	+/- 260,000
Source: Indomitable	

### EXHIBIT 3

## SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

### SOURCES AND USES OF FUNDS

Stadium Sources and Uses	
<b>Stadium Uses</b>	
Infrastrucutre	42,000,000
Private Infrastructure Fee	9,770,000
Stadium Development and Construction	175,000,000
<b>Total Costs</b>	<b>226,770,000</b>
<b>Stadium Permanent Sources</b>	
CFD	42,000,000
Grants/Signage Capitalization/Compact Credits	9,770,000
Indomitable Equity	175,000,000
<b>Total Sources</b>	<b>226,770,000</b>

### EXHIBIT 4



# SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

## EXPANDED EIFD MAP

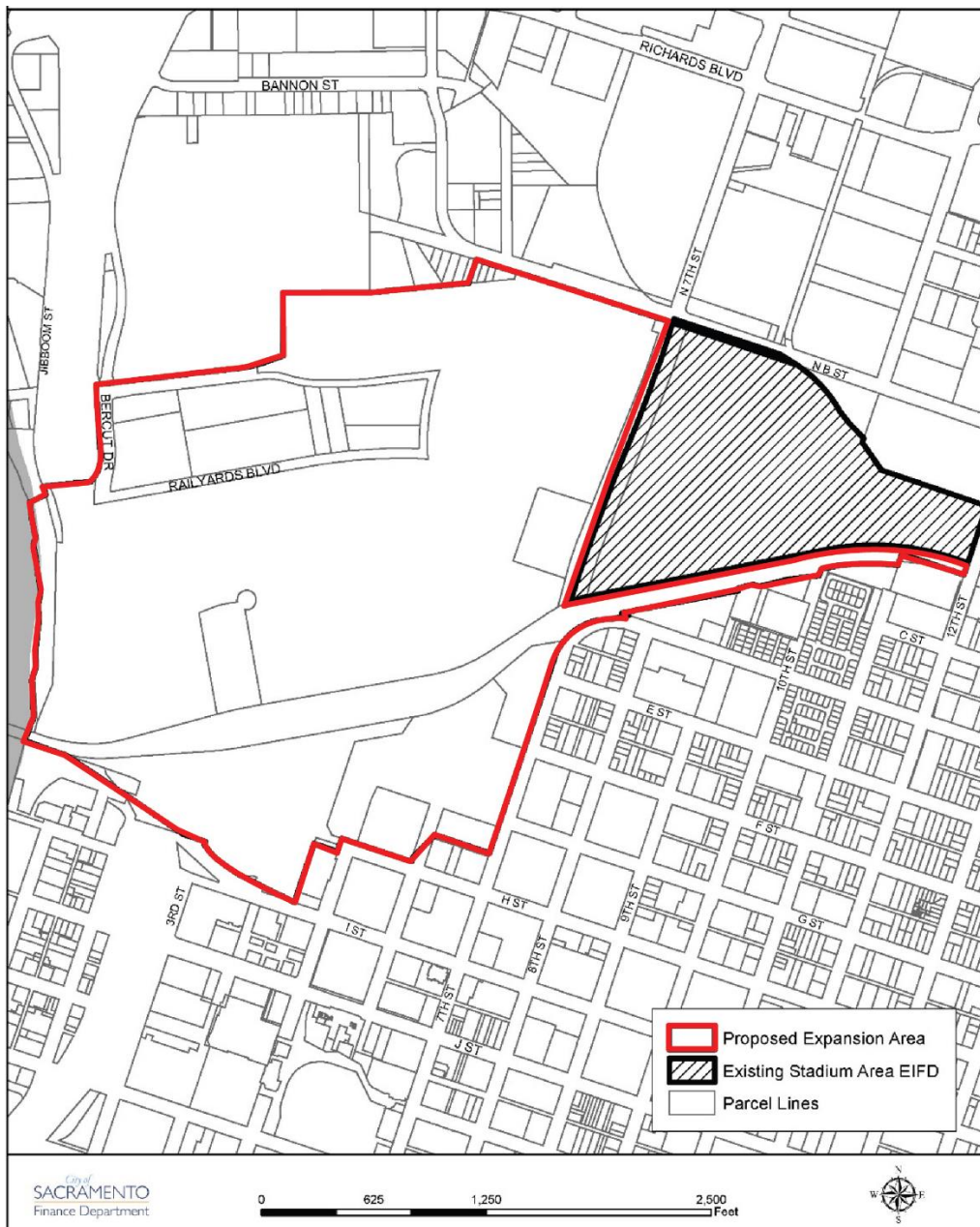


EXHIBIT 5

## SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

### EIFD WATERFALL

As part of the proposed transaction and consideration for Downtown Railyard Venture, LLC ("**DRV**"), to transfer the east of 7<sup>th</sup> Street land ("**USL Property**") to Indomitable Ventures, LLC ("Indomitable") for development of a Soccer Stadium ("**Stadium**"), (a) the City of Sacramento ("**City**") is requested to finish the formation of an expanded EIFD to include both the USL Property ("**USL EIFD Area**") and the remainder of the Railyards ("**Railyards EIFD Area**"). The proceeds of the USL EIFD area are the "**USL Area EIFD Proceeds**," the proceeds from the Railyards EIFD Area are the "**Railyards EIFD Area Proceeds**," and the proceeds of both EIFD areas are the "**Total EIFD Proceeds**;" and (b) the City, DRV, and Indomitable must reach agreement upon the use and allocation of the EIFD Proceeds. The proposed use and allocation of the EIFD Proceeds for consideration is as follows:

1. Indomitable shall receive the USL Area EIFD Proceeds on a 100 percent basis for infrastructure required by the City to open a Stadium and Ancillary Development Land in the **USL EIFD Area** (currently estimated at \$42 million in 2024 dollars) using the following waterfall (collectively, "**Indomitable Infrastructure Costs**"), which includes all payments under paragraphs a, b and c below:
  - a. Semi-annual payment of Stadium CFD bonds used to finance infrastructure.
  - b. Stadium CFD payment shortfalls covered by Indomitable, along with the capitalization of those costs, subject to approval by the Public Finance Authority. The City Manager's Office will recommend to the PFA approval of those costs.
  - c. Direct costs of infrastructure paid by Indomitable above and beyond the proceeds of the Stadium CFD, including payment of any capitalization of those costs, subject to approval by the Public Finance Authority. The City Manager's Office will recommend to the PFA approval of those costs.
2. DRV, Indomitable, and City shall receive Railyards Area EIFD proceeds on a 40/40/20 percent basis, when combined with payments made under paragraph 1., above, Indomitable has been fully reimbursed for the Indomitable Infrastructure Costs. If the City reaches an allocation of \$14M in 2024 dollars under this paragraph 2. before the Indomitable Infrastructure Costs is fully funded, the City's share shall be equally split between DRV and Indomitable under this paragraph 2.
3. Once Indomitable has received full reimbursement for Indomitable Infrastructure

## SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

Cost, DRV and City shall receive Total EIFD Area Proceeds on a 50/50 percent basis until DRV has received \$50M in 2024 dollars (inclusive of amounts received by DRV under paragraph 2., above) for eligible facilities in the Railyards as applicable by law (identified and ranked by priority in the Railyards Infrastructure Financing Plan, which include reimbursement of infrastructure, structural and/or environmental renovation costs of the historic buildings and plaza area within the Central Shops, parks, parking garages, and other facilities included in the Railyards Infrastructure Financing Plan). If the City reaches an allocation of \$14M under subsection (2) above and this subsection (3) before the allocation to DRV under subsection (iii) is reached, the DRV share shall increase to 100%).

4. Once allocations in paragraphs 1., 2., and 3., above are satisfied, all Total EIFD proceeds shall be subject to a 20 percent affordable housing set-aside and determination by the City and Railyards EIFD Public Finance Authority for the prioritization of facilities that enable the development / redevelopment of The Sacramento Valley Station, historic Central Shops, parks, parking garages, and other facilities included in the Railyards Infrastructure Financing Plan.



## **SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET**

### **COMMUNITY BENEFITS**

1. Charitable Contributions: Cash contributions on average of \$75,000 per year to Sacramento charities and non-profits. Total estimated value: \$4,500,000.
2. Free Community Youth Soccer Clinics: Club will host 1,000 youth participants per year at club clinics in underserved neighborhoods in Sacramento (estimated at \$50 per clinic). Total estimated value: \$3,000,000.
3. Complimentary Tickets: Donations of 100 tickets per game for use of Sacramento charities and non- profits. Total estimated value: \$3,600,000.
4. Soccer Field and Soccer Court Construction: Continued builds or upgrades of soccer field or soccer court in Sacramento for public use. Total estimated value: \$1,000,000.
5. Volunteer Hours: Club staff commitment of 2,500 volunteer hours per year (average of \$25 per hour) to Sacramento charitable organizations. Total estimated value: \$3,750,000.
6. Public access to the open space, park, and trail areas when the Stadium and site is not scheduled for an event.

Note: Total estimated values based on non-relocation term of 35-years and 3% annual escalation.

### **EXHIBIT 7**

## SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

### RAILYARDS WIDE & SVS PRELIMINARY TERM SHEET

The City of Sacramento ("**City**"), in recognition of the public benefits to be derived as outlined herein, and Downtown Railyard Venture (DRV), have reached a preliminary agreement on a public-private partnership in the Downtown Sacramento Railyards ("**Railyards**") that would result in the development of Railyards site wide infrastructure ("**Railyards Infrastructure**") that will catalyze the development of the Railyards, the Historic Central Shops, and the Sacramento Valley Station.

This Railyards Wide & SVS Term Sheet ("**RYSVSTS**") sets forth the key terms, process, and framework by which the parties agree to negotiate definitive documents and potential approvals to be considered by the City regarding the financing, ownership, development, and construction of key projects (infrastructure and vertical) in the Railyards, including the potential development of a 12,000 seat stadium by the ownership group of the Sacramento Republic ("**Indomitable**"). The parties agree to prepare definitive legal documents that contain the basic terms set forth herein with other agreed terms consistent with this RYSVSTS that are customarily included in similar agreements for the financing, ownership, design, development, and construction of comparable facilities. The entire process will be a cooperative, mutual endeavor in which the parties actively participate and work together in good faith and with due diligence.

Although this Preliminary Term Sheet contains the proposed, non-binding framework of a potential transaction that the City has agreed to process, the parties agree that no obligation to enter into definitive transaction documents, or any transaction, exists and no project or definitive transaction documents will be deemed to be approved until after (i) the relevant project components are reviewed in accordance with the requirements of the California Environmental Quality Act (CEQA), (ii) any additional conditions or changes based on the CEQA review have been resolved in a manner acceptable to the City and DRV, and (iii) all required permits and approvals have been obtained by the parties in accordance with applicable laws and regulations. Furthermore, the City's consideration for approval of definitive transaction documents is contingent and dependent upon contractual or other satisfactorily binding assurances that the financings for all infrastructure, public improvements, and anticipated projects

## SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

will be sufficient to achieve the parties' intentions, regardless of such things as changes in land ownership, corporate restructurings, or third-party agreements.

<b>Confidentiality</b>	The City agrees not to disclose, and to cause its affiliates and representatives not to disclose, to any third party any financial information or other confidential information provided to it pursuant to this RYSVSTS or the definitive legal documents, to the extent permitted by law.
<b>Expanded EIFD</b>	<p>City shall expeditiously bring forward and pursue all required steps necessary for the formation of an Expanded EIFD, however shall not seek final approval of the formation of an Expanded EIFD in the Railyards without the following:</p> <ol style="list-style-type: none"><li>1. City &amp; DRV Purchase &amp; Sale Agreement Completion (close of escrow).</li><li>2. Agreement between DRV and Indomitable for the transfer of the Stadium site and additional property adjacent to the Stadium for ancillary real estate development purposes ("<b>USL Property PSA</b>") (close of escrow).</li><li>3 . City validation of a viable entertainment venue project in the Central Shops (vital for catalyzing development of the Historic Shops buildings), which validation shall be needed and a condition to the completion of the City &amp; DRV Purchase &amp; Sale Agreement. A viable project must include evidence of committed funding necessary to complete the infrastructure and vertical development for the Paintshop and Central Shops Plaza area.</li></ol>
<b>Grants</b>	DRV shall include in future grant applications the scope of required 7 <sup>th</sup> Street improvements not covered by previous grants or DRV equity, to the extent feasible without jeopardizing the entirety of future grant applications (as determined by the City).

## SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

	Once funding sources for 7th Street are identified, the City will no longer seek to have input for grant funding of required 7th Street improvements.
<b>Purchase &amp; Sale Agreement</b>	<p>DRV and City shall complete a Purchase &amp; Sale Agreement ("<b>City &amp; DRV PSA</b>") for parcels that are needed for buildout of the Railyards Specific Plan and Sacramento Valley Station Area Plan.</p> <p>The "PSA Lots" are as follows:</p> <p>Lot40 1.86 acres  Lot44 1.65 acres  <b>Total 3.51 acres</b></p> <p>Total Purchase Price= \$14,000,000.00</p>
<b>Entertainment Venue Location</b>	DRV is responsible for assembling a viable Entertainment Venue Project (" <b>Project</b> ") which includes rehabilitation of the Paint Shop, located in the Historic Central Shops.
<b>Entertainment Venue Description</b>	3,600-person-capacity live entertainment facility in the Historic Central Shops.
<b>Entertainment Venue Schedule</b>	<p>The City and DRV shall work cooperatively and make all commercially reasonable efforts to open the Entertainment Venue by 2027 (or as soon as reasonably possible) and shall promptly after the date hereof agree upon a schedule of milestones regarding CEQA (as applicable), permits, and other important events to meet such timetable.</p> <p>The City agrees to assign the appropriate planning, engineering, building, safety, and other staff to enable the parties to achieve such timeline.</p>
<b>Completion Guarantee and Cost</b>	DRV shall use commercially reasonable efforts to cause the general contractor responsible for the

## SACRAMENTO REPUBLIC FC PRELIMINARY TERM SHEET

	<p>construction of the Entertainment Venue to provide a separate, written project completion guarantee(s) consistent with the schedule referred to above, and DRV shall be responsible for cost-overrun protection covering all elements of the development, construction, and delivery of the Entertainment Venue.</p>
<p><b>Digital Signage Plan (DRV)</b></p>	<p>DRV, in cooperation with Indomitable or its affiliate, shall develop a comprehensive digital signage program. The City acknowledges the strategic and economic importance of the digital signage program to the City, Indomitable, and DRV and will work to implement a program that is acceptable to the City, Indomitable, and DRV. The specifics of the proposed program shall be outlined in the definitive legal documents. City staff shall present to City Council for consideration the proposed program and any required amendments to the City's sign code to implement the program.</p> <p>Not including the USL Property, the digital signage program will include up to five signs. Subject to any required amendments to the City sign code, potential locations of signs could include two freeway frontage signs(which may be larger format similar to sports stadium signs) , two central shops plaza signs, and a gateway sign on parcel 45, along with other signage as might be appropriate for the Railyards. If feasible on-site locations cannot be identified for signs in the Central Shops, the City will collaborate to identify potential on-site or off-site sign alternatives.</p> <p>If DRV provides satisfactory information to the City by December 2, 2024, sufficient for the Urban Design Manager to fully evaluate sign feasibility, City staff shall present up to five sign locations in the Railyards to City Council for discussion by May 2025; provided that if any one or more of such Central Shops Plaza sign locations would delay City Council discussion by</p>

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	<p>May 2025 as determined by the City, such sign locations shall be removed to permit the City Council to discuss the remainder of proposed sign locations by May 2025. Thereafter, City staff shall continue its efforts to present such Central Shops Plaza location(s) to City Council for discussion.</p> <p>DRV, with City cooperation, shall be responsible for securing all State of California approvals, (if any), financing, and construction for the development of the signs. DRV shall be responsible for all operating and maintenance costs relating to such signage.</p>
<b>CEQA</b>	<p>As required by law, the City retains the sole and independent discretion as the lead agency to, among other things, balance the benefits of the project(s) elements against any significant environmental impacts prior to taking final action if such significant impacts cannot otherwise be avoided, and determines not to proceed. No legal obligations to approve the project elements, any required permits, or the transaction will exist unless and until the parties have negotiated, executed, and delivered definitive agreements based upon information produced during any environmental review process and on other public review and hearing processes, subject to all applicable governmental approvals, including CEQA (as applicable).</p>

### EXHIBIT 8

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## STADIUM BENCHMARKS

1. PayPal Park (San Jose)
2. Lynn Family (Stadium Louisville)
3. Dick's Sporting Goods Park (Denver)

	PayPal Park	Lynn Family Stadium	Dick's Sporting Goods Park
<b>Open</b>	2015	2020	2007
<b>Capacity</b>	18,000	12,000 (EXPANDABLE TO 15,000)	18,000
<b>Other Stats</b>	<ul style="list-style-type: none"> <li>- Patio Suites: 4</li> <li>- Luxury Suites: 10</li> <li>- Bench Suites: 4</li> <li>- Game Day Suites: 4</li> <li>- Endline Suites: 2</li> <li>-Field Club Seats: 176</li> <li>Scoreboard Bar: 310'</li> <li>bar (largest exterior bar in North America)</li> </ul>	<ul style="list-style-type: none"> <li>- Suites: 18</li> <li>-Club Seats: 250</li> </ul>	<ul style="list-style-type: none"> <li>- Suites: 21</li> <li>-Patio Tables: 48</li> <li>-Fieldside Seats: 350</li> </ul>

## PAYPAL PARK (SAN JOSE)



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### LYNN FAMILY STADIUM (LOUISVILLE)





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### DICK'S SPORTING GOODS PARK (DENVER)

