

ASTRODOME
CONSERVANCY

Project Summary

November 13, 2024

LEVASS
VENTURES

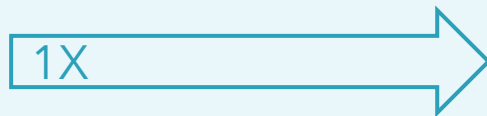
Leveraging Public Investment

A \$250M Harris County public investment will attract a **3X return** which results in a \$1B mixed-use entertainment district inside the Astrodome.

Events Arena
~10,000 Seats

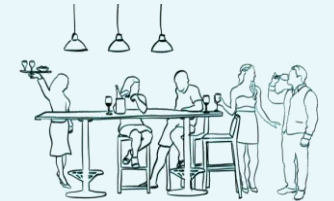


**Estimated
Development Budget:
\$250M**

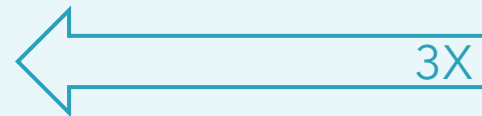


\$1.0B

Commercial Development
Hotel, Office, Retail, Parking



**Estimated
Development Budget:
\$750M**



**New Arena, Hotel, Office,
Retail, Entertainment Complex**

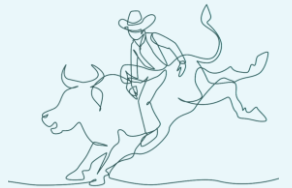
A More Cost-Effective Arena

Incorporating a new arena into the existing Astrodome **saves Harris County taxpayers \$200M** as compared to preliminary proposed new construction options.

<i>A</i>	Harris County's New Arena Projected Budget	\$350M
<i>B</i>	Minimum Cost for Astrodome Demolition	+ \$100M
<i>C = A + B</i>	Total Cost of Preliminary Proposed New Construction Options	= \$450M

VS

<i>D</i>	Estimated Astrodome Arena Development Cost	\$250M
<i>E = C - D</i>	Net Comparative Savings	\$200M



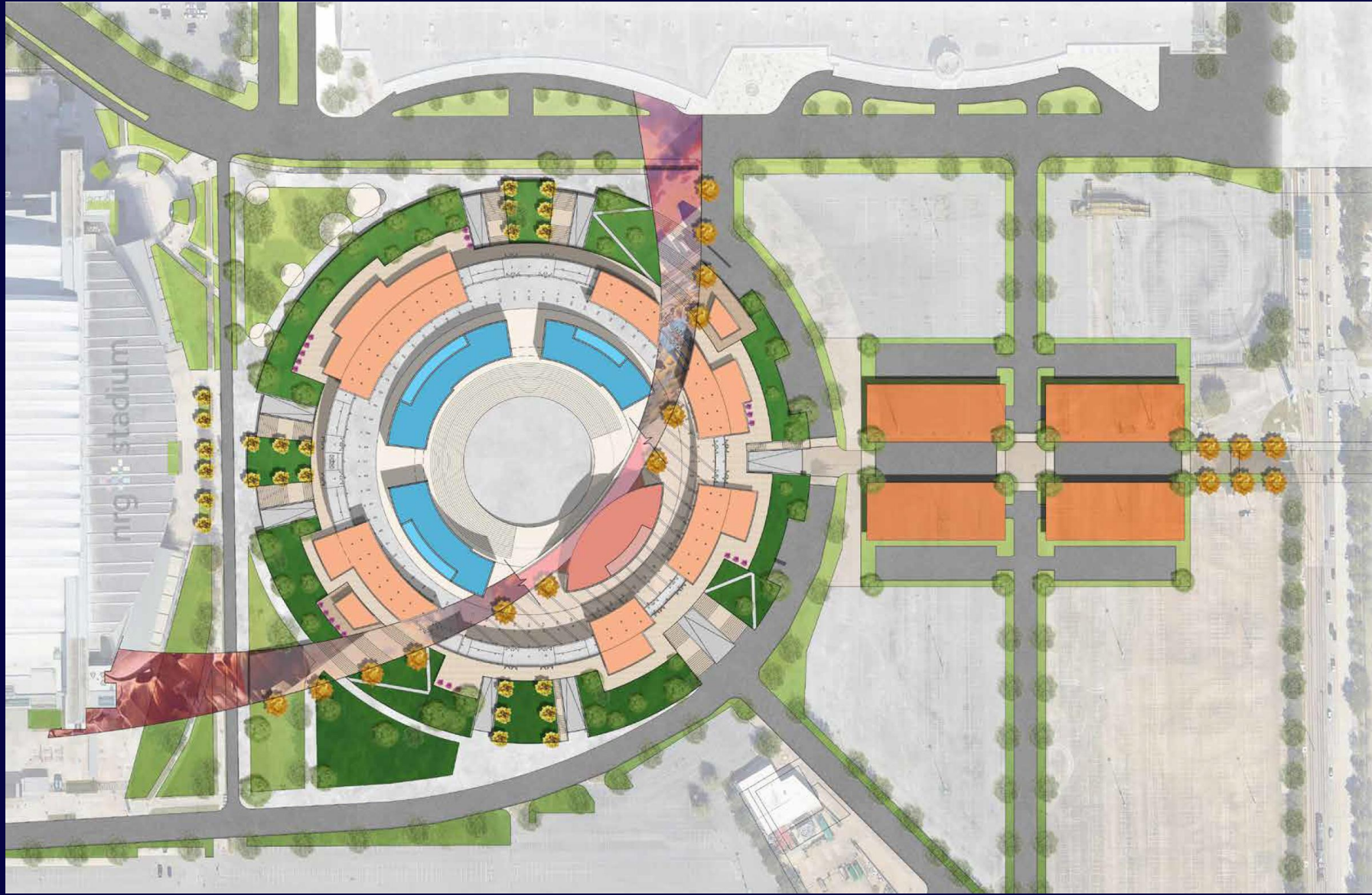
Attracting Private Investment Via Federal and State Capital

The Astrodome is the only building at NRG Park that can leverage State and Federal tax credits to make the project viable for private investment. A project of this scale can **receive ~ \$400M in a state and federal cash infusion.**

A	Commercial Development Budget	\$750M
B	Federal and State Tax Credits	- \$400M
C = A - B	Private Investment (Equity & Debt)	= \$350M

Early Estimated Private Investment Returns: **>9% Stabilized Yield**
>20% IRR







Redevelopment Program

Hotel

Office

Venue

F&B

Parking

Livestock

And...



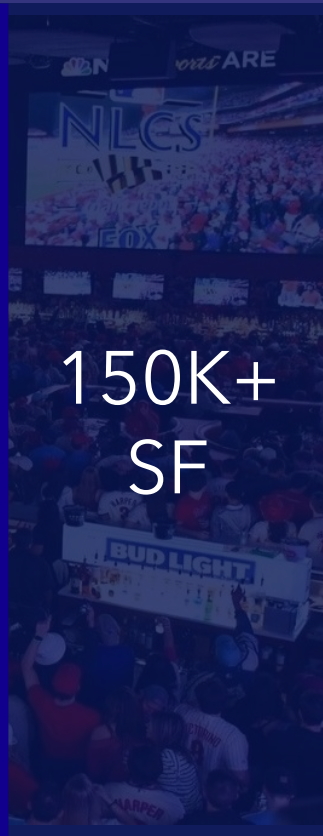
Up to
+/- 500
Rooms



Up to
200K
SF



10,000
Seats



150K+
SF



1,500
Spaces



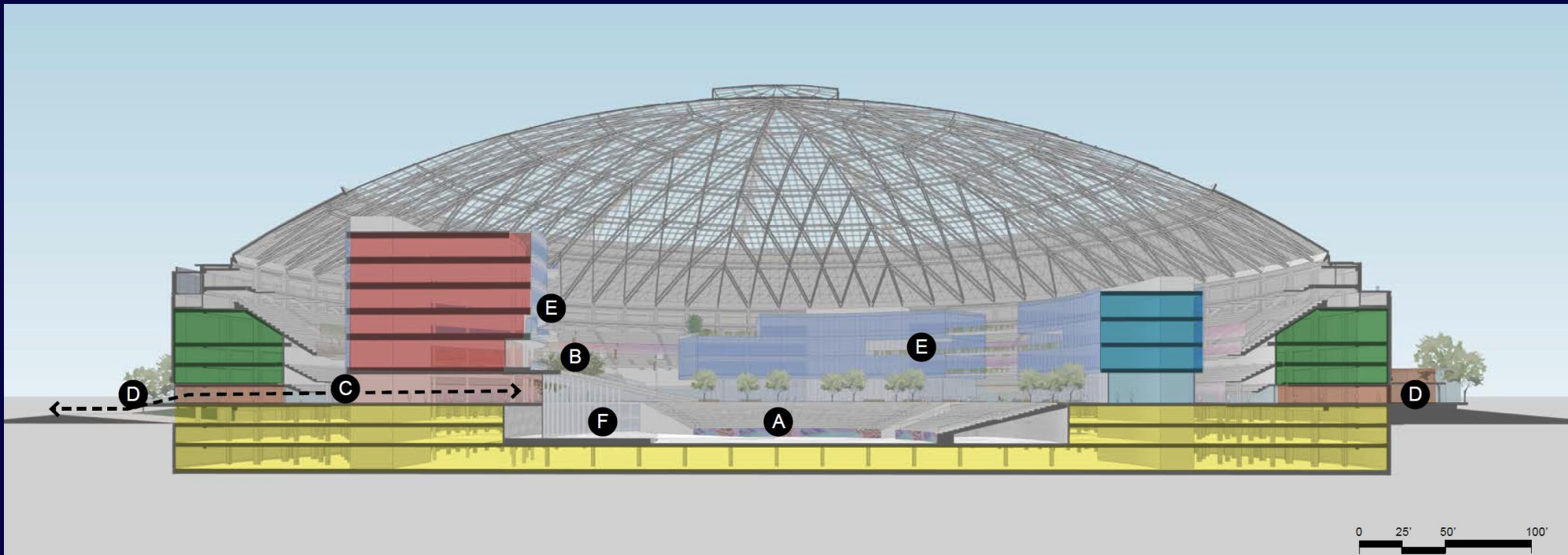
In Parking
Decks



Data
Farm

Athletic
Activity

Commissary



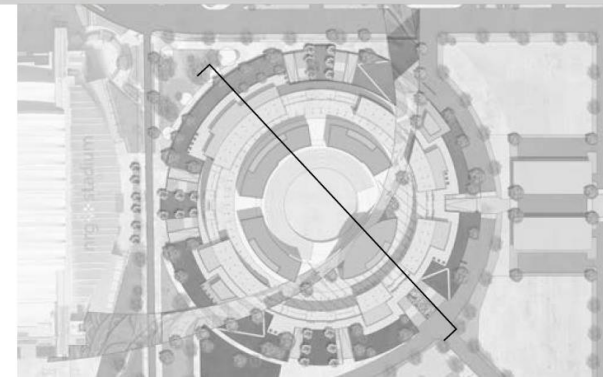
KEY NOTES

- A** ASTRODOME ARENA
- B** RODEO BLVD
- C** RODEO EXPERIENCE
- D** FOOD & BEVERAGE/RETAIL
- E** BALCONIES/TERRACES
- F** STAGE

LEGEND

- RODEO OFFICE/MEETINGS/MUSEUM
- FOOD & BEVERAGE/RETAIL
- FEATURED TENANTS
- UTILITY/ENERGY STORAGE
- ANIMAL HANDLING/STORAGE/STAGING/PARKING

KEY PLAN













Section 3 – Project Rationale

8 Reasons to Redevelop and Repurpose the 8th Wonder

Eight Reasons Why.

#1

**It houses the
County's new
arena at a
\$200M Savings**

- i. The County Design RFP calls for a new **\$350M** arena with 10,000 to 13,000 seats
- ii. The Astrodome can easily accommodate that scale facility and can be built for only **\$250M**, a \$100M savings over a new ground up area.
- iii. Putting the arena in the Astrodome also saves an additional **\$100M** in demolition costs avoided by preserving the Astrodome.
- iv. It does not necessitate revenue kept on-site from hotel occupancy tax (HOT)...Though it can still contribute to generating new HOT revenue streams.

Eight Reasons Why.

#2

**Only the
Astrodome can
access a \$400M
cash infusion**

- i. Federal historic tax credits of 20% and State tax credits of 25% provide nearly \$400M in project equity.
- ii. No other development or renovation at NRG park could access these funds.
- iii. This cash infusion obviates the need for accessing local public funds that can be used elsewhere at NRG Park.

Eight Reasons Why.

#3

It Attracts Significant Private Investment

- i. \$400M cash infusion via historic tax credits and other federal and state tools de-risk the commercial portions of the project for private investment.
- ii. Other federal financial tools for sustainability and Transit Oriented Development further increase private market investment viability.
- iii. There is noted market demand for experiential retail, hotel, and administrative office facilities.
- iv. Alternative uses for upper concourse spaces that leverage power load sent to building.

Eight Reasons Why.

#4

**It is a
Net-Positive for
the Rodeo
and the Texans**

- i. 10,000 seat event venue provides opportunity for year-round rodeo entertainment
- ii. 1,500 integrated parking spaces available for Texans' VIPs and Rodeo guests
- iii. Improved gameday experiences with pre- and post-game activity
- iv. Livestock storage for March celebration
- v. Opportunity for inclusion of HQ offices
- vi. Opportunity to include a museum and celebration of rodeo / Texas culture
- vii. Design includes a path ("Rodeo Boulevard") that connects Rodeo events at the stadium to activity in NRG Center.
- viii. Hotel for teams, fans, Rodeo guests and visitors.
- ix. Vibrancy and activity improves Houston's ability to attract major events (Superbowl, Final Four, etc.)

Eight Reasons Why.

#5

**It Generates
Significant
Economic
Benefits**

- i. **9,200** job-years (5,100 direct, 4,100 indirect) of employment through development, 2,300 workers per year on average during construction.
- ii. **\$1.8B** in direct and indirect economic activity generated through development.
- iii. **4,300** permanent jobs created (3,000 direct, 1,300 indirect).
- iv. **\$88M** in direct annual employment compensation.

Eight Reasons Why.

#6

It Generates Significant Fiscal Benefits

- i. **\$430M** in gross fiscal benefits to City, County, Metro and others via sales tax, HOT tax, and other payments
- ii. **\$311M** in net fiscal benefits to City, County, Metro and others after deducting associated public costs
- iii. **\$137M** in net present value of fiscal benefits as compared to \$0M in a “do nothing approach”
- iv. Proposed **~\$6M** in annual PILOT generated for long-term maintenance of Astrodome

Eight Reasons Why.

#7

It is Sustainable

- i. Preservation of the 'Dome's structure has significant carbon capture benefits of more than 300,000 tons of CO₂ **which can generate significant revenue through carbon credits.**
- ii. Preservation obviates the need to truck in 260,000 tons of soil to fill the hole.
- iii. It also eliminates 15,000 truck trips to remove the Dome's demolished structure.
- iv. Geothermal system can produce >3,000 tons of cooling/heating capacity and save \$1.7M per year in energy costs. *(6.4% yield on investment)*

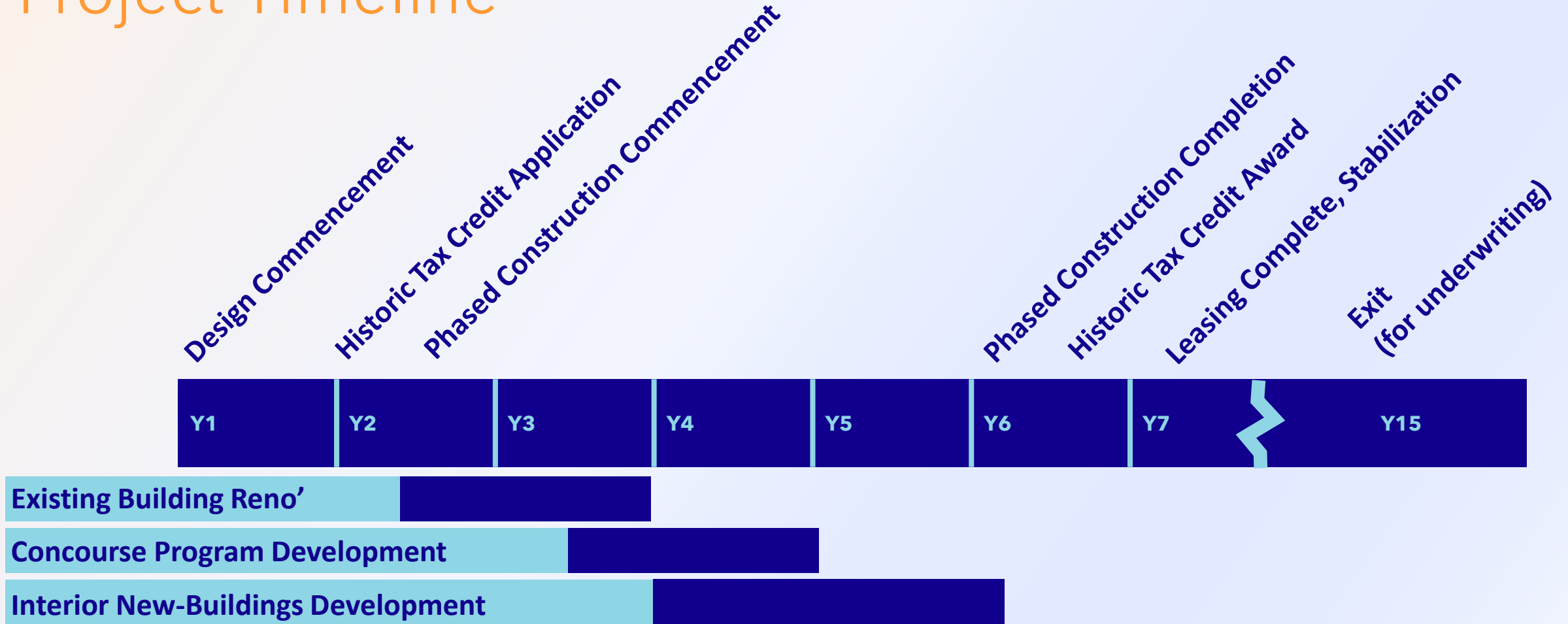
Eight Reasons Why.

#8

Preservation is the Right Thing to Do

- i. The Astrodome is listed on the National Register of Historic Places for both its architectural and cultural significance by the US National Park Service; also designated and protected as a State of Texas Antiquities Landmark by the Texas Historical Commission.
- ii. The Dome is perhaps the greatest iconographic symbol of Houston's triumphant 20th century growth.
- iii. The Dome and its programming will connect future generations to the City's past.
- iv. Over 85% of Houstonians agree that the Dome should be preserved according to a recent poll.
- v. Houston has a growing appreciation of preservation via major projects like the Ion, Julia Ideson Library, Post HTX, Hermann Park Clubhouse, and River Oaks Theater

Project Timeline



“Capital Stack” Component Viability

---- Viability ----

	Political	Policy	Economic	Score	Scale
Historic Tax Credits	Yes	Yes	Yes	3.00	\$\$\$
Green Energy Tax Credits (various federal tools)	Yes	Yes	Yes	3.00	\$
Philanthropic Contributions	Yes	Yes	Yes	3.00	\$-\$\$
Private Investment	Yes	Yes	Likely	2.50-3.0	\$\$\$
Private Debt	Yes	Yes	Likely	2.50-3.0	\$\$\$
Payment in Lieu of Taxes (PILOT)	Maybe	Yes	Yes	2.50	\$\$\$
Tourism Taxes and Special Use Taxes	Maybe	Maybe	Yes	2.00	\$\$
Lease-Leaseback Structure	Maybe	Maybe	Yes	2.00	N/A
Revenue Bonds	Maybe	Maybe	Yes	2.00	\$\$\$
Opportunity Zone Funding	Yes	Yes	No	2.00	\$\$
Tax Increment Reinvestments (TIRZ)	Currently unlikely	Maybe	Yes	1.50	\$-\$\$
General Obligation Bonds	Currently unlikely	Yes	Yes	1.50-2.0	\$\$\$
Naming Rights and Sponsorship Deals	No, for now	No	Yes	1.00	\$\$
New Market Tax Credits	Maybe	TBD	No	0.50	\$

The above table builds upon the prior work of Stonehenge and Herdlick Tax LLC

Historic Tax Credits

State Program

Up to 25% of
Qualifying Costs

Conservative 80% of Value
Assumed at Market

\$202M
in Nominal Value

\$152M to \$165M
in Present Value

Federal Program

Up to 20% of
Qualifying Costs

Conservative 80% of Value
Assumed at Market

\$162M
in Nominal Value

\$121M to \$132 M
in Present Value

\$364M

Received ~ 5 years after
project initiation.

Tax credits improve project
stabilized yield by approximately

300 bps