

# How the Sacramento Kings “Golden” Investment Is Driving Unprecedented Growth

The Sacramento Kings NBA 3.0 philosophy — to make basketball the premier global sport of the 21st century by utilizing technology, driving globalization and transforming communities — is already having a significant impact on the Sacramento region.

The Kings investment in Golden 1 Center and Downtown Commons (DOC0) — a new, state-of-the-art entertainment and sports center and development project — is spurring unprecedented change for the region, its residents and its visitors by ushering in a wave of economic and cultural revitalization.

With an estimated \$11.5 billion in economic activity for the Sacramento region over the expected 35-year lifespan of the arena and surrounding development, the project is estimated to create 11,700 jobs in addition to 4,000 permanent jobs once completed. The project is also driving 1.5 million square feet of additional development — from retail to residential units to a hotel.

Sacramento is witnessing a region rising. Here’s how:

## Local Investment

In local investment, the Kings are far exceeding benchmarks with 78 percent of total biddable work — totaling \$290 million — being awarded to local businesses, greatly exceeding the initial 60 percent commitment made by the Kings to the community.

And 20 percent of contracts, totaling \$76 million, have been awarded to local small businesses, exceeding the initial 15 percent projection.<sup>2</sup>

The arena’s naming partner — Golden 1 Credit Union — further demonstrates the Kings mission to include local businesses in the process to revitalize downtown Sacramento. In addition, the Kings have committed to source 90 percent of Golden 1 Center food and beverages within 150 miles and have selected four regional restaurateurs as their initial offerings within the arena.

**78%**

**of contracts awarded to local businesses**

**20%** to local small businesses



## Jobs

In total, 4,000 permanent jobs will be created, and an estimated 11,700 temporary construction jobs. Of those jobs, the Kings set a goal of hiring a minimum of 70 priority apprentices – from laborers to carpenters to engineers – from disadvantaged backgrounds or communities in the area, an unprecedented program in the history of Sacramento. To date, 60 priority workers have worked on the arena, putting the project well on track to meet and exceed the goal of 70 apprentices by project’s end. In addition, over 55 additional priority apprentices have found job opportunities at various other projects through the community.

**Total Temporary Construction Jobs: 11,700+** **Total Permanent Jobs: 4,000** **Total Priority Apprentices: 60**

## Real Estate

Since Vivek Ranadivé became the Owner and Chairman of the Sacramento Kings in 2013, the rapid economic development generated by Golden 1 Center and DOCO has been a significant factor in increasing the median home value in the region by 55 percent. <sup>4</sup>

Golden 1 Center and Downtown Commons will be the new face and heart of downtown Sacramento encompassing six square blocks and up to 1.5 million square feet of additional development, including 475,000 square feet of office space, 350,000 square feet of retail, a 250-room hotel and up to 550 residential units. A new public plaza in the heart of the project will feature world-renowned artist Jeff Koons’ Coloring Book sculpture, the only publicly displayed Koons sculpture owned by a municipality.

**Total Development Space: 1.5 million square feet**  
**Rapid Economic Development in DOCO pushed median home values up 55% from 2013 to today.**

## Businesses

To date, 67 new businesses have been created in the last three years alone including tech, green/sustainability, financial firms, law firms, restaurants and a state of the art medical center. Downtown Sacramento is once again becoming a thriving hub for diverse commerce and enterprise.

**2013-2015**  
**New Businesses: 67**



## Office and Retail Space

In the past three years, downtown Sacramento has experienced approximately \$400 million in downtown office sales and new retail properties. And of that \$400 million, an astounding 75 percent was invested in a single quarter, Q4 for 2014, after the Kings broke ground on Golden 1 Center.<sup>5</sup>

**Total Office Sales  
and Retail Impact: \$400 million**

## Visitors

Golden 1 Center will attract 1.6 million new visitors to downtown Sacramento each year. These new visitors are expected to help generate more than \$8.5 million in sales tax and approximately \$867,000 in transient occupancy tax each year. And it will be a major contributor to the \$11.5 billion in estimated positive economic impact on the region.<sup>6</sup>

**1.6M new visitors  
each year**

## Total Costs

The total investment for Golden 1 Center is currently estimated at \$507 million. And the Kings are also investing approximately \$300 million for DOCO. The Sacramento Kings contributed approximately \$284 million and will cover all additional costs, including overruns, predevelopment, capital repairs and development of City-owned parcels. The city contributed approximately \$223 million, financed through the sale of bonds (\$212 million) and parking and economic development funds (\$11 million).<sup>7</sup>

**Total Golden 1 Center Investment: \$507 million  
Kings DOCO Investment: \$300 million**

<sup>1</sup> ICON, Turner, SRBX-SCS. Data through 10/15/2015

<sup>2</sup> ICON, Turner, SRBX-SCS. Data through 10/15/2015

<sup>3</sup> The Renaissance Report by Capitol Public Finance Group LLC, Dec. 2013

<sup>4</sup> Zillow.com- All Home Types

<sup>5</sup> Downtown Sacramento Partnership: Investment and Activity Q3 2015 Report

<sup>6</sup> The Renaissance Report by Capitol Public Finance Group LLC, Dec. 2013

<sup>7</sup> City of Sacramento Entertainment Sports Lease Center (ESC) Lease Revenue Bonds, Series 2015 Presentation, Jun. 2015

