

ASSETS AND FACILITIES MANAGEMENT – CAPE TOWN STADIUM AND SEA POINT PRECINCTS

STADIUM RENTAL MODELS

In order to ensure sustainability and optimum use different options regarding Stadium rental and income has been modelled and are listed below:

Model	Clean Stadium Model	Negotiated Income Tariff Model	Standard Rental Tariff Model	City Owned Event
Description	Event Organizer pays Stadium Rental Tariff, plus Stadium Direct Costs plus an additional negotiated fee to the City to secure the rights for hospitality, liquor and concessions.	Event organizer pays a negotiated rental based on the proportionate number of seats required. The City or the Event Organizer pays direct costs. In the event of the City paying direct costs, the City will claim the direct costs from the Event Organizer (plus 10% administration fee). The Event Organizer and the City negotiate a share of the income from ticket sales, hospitality, liquor and concessions.	Event Organizer pays Stadium Rental and Direct Costs as per approved Tariff Structure. The ticket income accrues to the Event Organizer. The City retains the hospitality, liquor and concession income.	The City carries all costs and all revenue accrues to the City.
Note	The City receives a guaranteed fixed income from the Event Organizer. There is no obligation whatsoever on the City to generate income.	The City is not at risk for the Direct Cost for the Stadium and shares in the potential revenue from ticket sales, hospitality, liquor and concessions. The City may agree to contribute to marketing the event.	The City is not at risk for the Direct Cost to the Stadium. City retains income from hospitality, liquor and concessions.	
Risk	100% of the risk lies with the Event Organizer together with all income opportunities above the fixed income payable to the City.	The City and Event Organizer share the risk and the income opportunities on a negotiated basis.	The City has a risk associated with income from hospitality, liquor and concessions	100% of risk lies with the City together with all income opportunities.
Advertising Boards	This is to be negotiated per event as the cost is determined by the nature of the event i.e. national, local, international, whether it is a live televised broadcast, broadcasted locally or internationally .			
Parking	As per the tariff list	As per the tariff list	As per the tariff list	As per the tariff list

Marketing and niche opportunities which contribute towards the local, national and international profile of the City and the Cape Town Stadium	To be charged as follows: Local contribution : 25 % of the approved rental plus direct cost National Contribution :15% of the approved rental plus direct cost International Contribution :10% of the approved rental plus direct cost
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