

STRESS TESTS

To ensure to the County that the financial plan protects its Current Expense Fund, the District has run a series of “stress tests.” A stress test runs disaster scenarios to look for the weaknesses in the financial plan. A worst case scenario would be three years of no growth to the revenue streams that is similar to the Boeing downturn of 1968-1971. The disaster case doubles those conditions. Since revenue growth compounds, placing the disaster conditions at the beginning of the financial plan is the absolute worst possible time.

The stress tests on the financial plan for the Ballpark bonds can withstand the following conditions without using Current Expense Fund money:

- Zero growth for seven consecutive years, after 1999 (2000 to 2006); or
- Zero growth in any three consecutive years after 1999 and negative real growth of 1% for 19 years (-1% for three years and 2.1% nominal growth for other years).

Attendance levels and ticket prices do not impact Ballpark bonds.

The District also ran stress tests on the parking bonds. The financial plan for parking bonds can withstand the following conditions:

- Zero growth in baseball ticket prices for 20 years; and annual attendance at 1.7 million (1 million less than 1996) for 20 years; and no Seahawks football after the year 2001.

In addition, both these conditions can occur simultaneously and not impact the County’s Current Expense Fund. Combined with the Club’s pledge to cover any shortfall in parking debt service, the District believes that the risk to the County is alleviated.