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## Young firm called upon for initial arena study

Consultants accept pro bono job to forecast economic impact

Sacramento Business Journal - by [Kelly Johnson](#) Staff writer

The holidays were quickly approaching, sources of information would soon be unreachable, and Cathleen Dominico was set to fly out for vacation. And yet, that's when the local financial consultant volunteered to quickly — and for free — write a preliminary economic impact study for the task force exploring a replacement for **Arco Arena**.

Dominico's work has thrust her small, young Sacramento consulting firm into the spotlight. Dominico's report was released Jan. 7, just a week after the **Sacramento First** task force unveiled the basics of seven proposals for a new sports and entertainment center, and a week before the **National Basketball Association** announced it was backing one of those seven.

That proposal, by developer Gerry Kamilos, entails building an arena downtown in the railyard while selling **Cal Expo** and relocating the fairgrounds to Arco Arena.

When Dominico and her two partners — all **Sacramento Kings** fans — launched **Capitol PFG** five years ago, she joked that she wanted a meeting with the team owners to discuss a new arena. And when the task force was formed, Dominico wondered how she could get involved. Her husband's chance encounter with a task force member led to Dominico's pro bono project.

Developing a \$300 million complex would create 4,095 jobs, Dominico found, including 2,130 direct jobs during construction and 375 additional jobs for ongoing operations. Once up and running, an arena could account for 20,000 direct and indirect permanent jobs.

Those preliminary findings would need to be fine-tuned after a specific site is chosen.

### Winner still up for grabs

Dominico and her business partners routinely come up with complex financial solutions for public agencies. And what does this trio think about the seven proposals?

"There were a lot of great ideas," Dominico said in an interview the day after the NBA announced it supports Kamilos' proposal. "The Kamilos idea was very intriguing."

But just because the NBA is backing one proposal, that doesn't mean it will be the proposal the task force recommends, Dominico said, echoing comments made by Sacramento Mayor Kevin Johnson and the task force. Also, the financing concepts for all the proposals haven't been fully fleshed out, she said.

"I don't think any of the proposals are ready to roll out tomorrow," Dominico said, adding that there's nothing obviously unworkable about any of them.

It could take several different proposals sewn together to make a workable arena plan, Dominico said, again echoing others involved in the arena discussion.

### Arena would boost quality of life

As for the stagnant economy's effect on developing a sports and entertainment complex, the Capitol PFG partners say there are advantages.

"It's probably a very good time to build an arena," said Jeff Small, the firm's managing partner.

Land, materials and labor are cheaper now, and people are eager for work, meaning even better project quality, the partners said.

And there always will be financing for a solid business plan, Small added.

As for location, each of the partners think a downtown arena could boost the vitality of the central business district.

A San Diego native, Dominico has seen what Petco Park, home of the **San Diego Padres** baseball team, has done to revitalize that city's downtown since opening in 2004.

Although news reports focused on the quantitative findings in Dominico's arena report, Dominico said the impacts from a sports complex that can't be measured are equally, if not more, important.

### MEDIA



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**The Kamilos Cos.' arena land-swap proposal**

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"Everyone keeps saying it's of marginal benefit," Dominico said of an arena. But a sports and entertainment complex can spur development, give residents a place to take visitors, and create a sense of pride in a community.

"It's a quality of life issue," she said.

#### Study boosts firm's image

It's still unknown what role, if any, Capitol PFG will play in the continuing arena search. In the meantime, the firm's assistance to the task force has lent it more credibility with current and prospective clients.

Dominico and the firm did a "fantastic job" with the study, said arena task force chairman Chris Lehane.

The task force needed a realistic look at the economic impact of a sports and entertainment center, and the firm delivered, Lehane said. "It was enormously helpful."

Lehane added that he plans "on continuing to lean on them" in the evaluation of the arena proposals.

Kamilos also found the report useful, he said, in that the findings affirmed for him that a proposal involving three sites in the city of Sacramento could broaden the ability to create jobs.

"It certainly told us a good story about just developing solely a sports and entertainment complex," Kamilos said. "We're looking at a broader picture because that's what's needed to finance this."

#### Pro bono pays off

Capitol PFG has been profitable since opening in 2005, with only a slight decrease in revenue in 2009. It plans to grow slowly.

The firm is no stranger to recognition from within its industry. In each of the last two years, the company has earned a big industry award — the Far West Regional Deal of the Year award from **The Bond Buyer**, a trade publication. The 2008 award was for levee improvement financing for the **Yuba Levee Financing Authority**. The 2009 award was for financing a high school within the **Chawanakee Unified School District** in Madera.

"For a new firm, you're looking for name recognition and exposure," Dominico said, referring to the arena study. "It's more validity for what we do and showing we have a breadth of service."

Pro bono service isn't common among financial consulting firms such as Capitol PFG, the partners said. But because they don't have to report to shareholders, Dominico said, "we have the flexibility and freedom to do projects like this."

#### Capitol PFG

- **Business:** Public agency financial consulting
- **Founders:** Jeff Small, Cathleen Dominico, Chris Terry
- **Formed:** 2005
- **Located:** Sacramento
- **Employees:** Five
- **Web:** capitolpfg.com

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