

Camelback Ranch

June 20, 2017

Project Partners

- **AZSTA**
 - Provides funding for 2/3rd of the project
 - Provides future capital improvements
- **Baseball Teams**
 - Responsible for the operations and maintenance of the facility
 - Provides the destination draw/attraction
 - Future partner and developer in the option agreement
- **Righthpath Limited**
 - Developer of the project (Approximately 3.2 million – 5 million square feet of development)
 - Provides letter of credit/security up to \$20 million for the project (debt service)
 - Responsible for a portion of the infrastructure

Proposed Private Development

- Proposed mixed-use commercial & residential development of approximately 400,000 square feet on or around the spring training facility.
- Potential 18-hole golf course.
- Additional commercial & restaurant development of approximately 760,000 square feet near the site.

Financing Structure

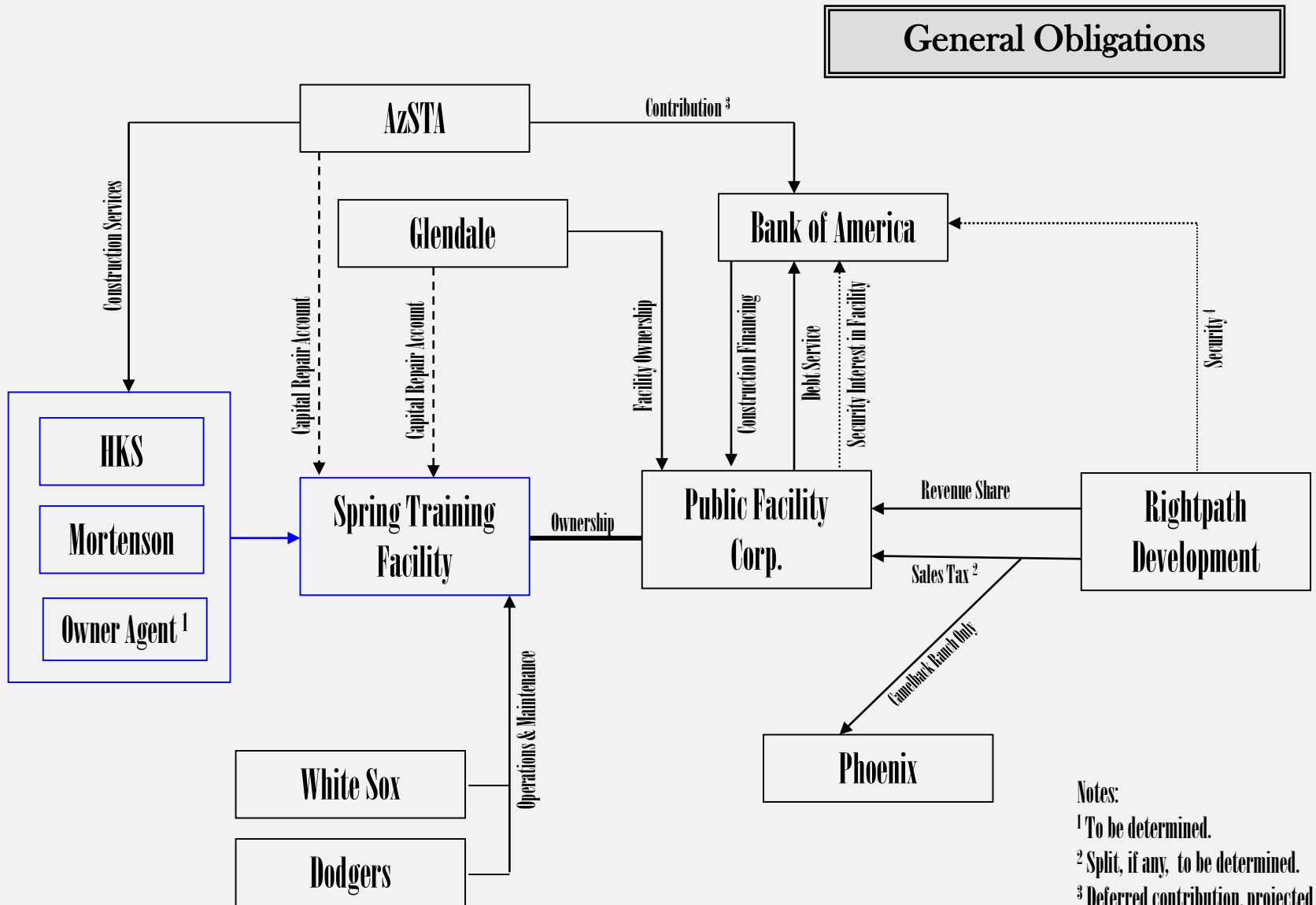
- Financial institutions involved in the project:
 - Bank of America (private placement/bond purchase)
 - Comerica Bank (letter of credit provider)
- Bonds will be issued to finance the entire spring training facility.
- Glendale will finance the AZSTA's contribution & defer interest payments until cash flows are available (approximately 13 years).
 - AZSTA contribution is assumed at \$48 million or 2/3rds of project costs.
 - The city will own the facilities but will not be required to subsidize the operating costs.
 - The teams will operate & maintain the facilities on a year round basis.

Financing Overview

- Project Revenues
 - Revenues generated from the city's use of the spring training facilities.
 - The sale & lease of city land to the developer.
 - A portion of the development sales proceeds from the developer.
 - On-going sales taxes generated from the proposed private development.

Estimated Budget

- Estimated 20 Year Revenues - \$144 Million
 - Sales Tax
 - Property Tax
 - Common Area Charges
 - Development Revenue
- Estimated 20 Year Expenses - \$137 Million
 - Training Facility
 - Infrastructure
 - Land
 - Debt Service



Notes:

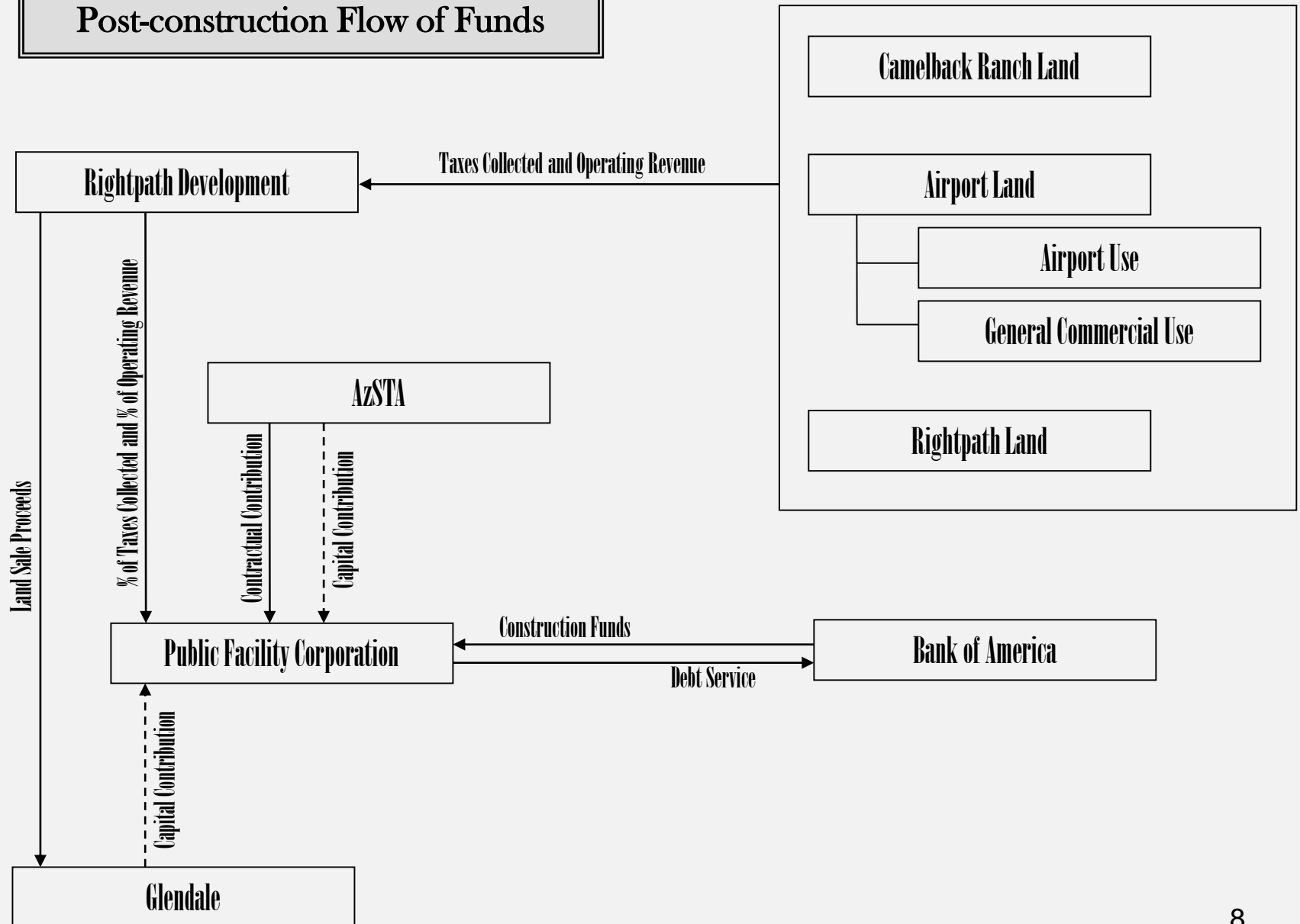
¹ To be determined.

² Split, if any, to be determined.

³ Deferred contribution, projected 2017

⁴ Letter of Credit or comparable security

Post-construction Flow of Funds



Source & Use of Funds (as proposed)

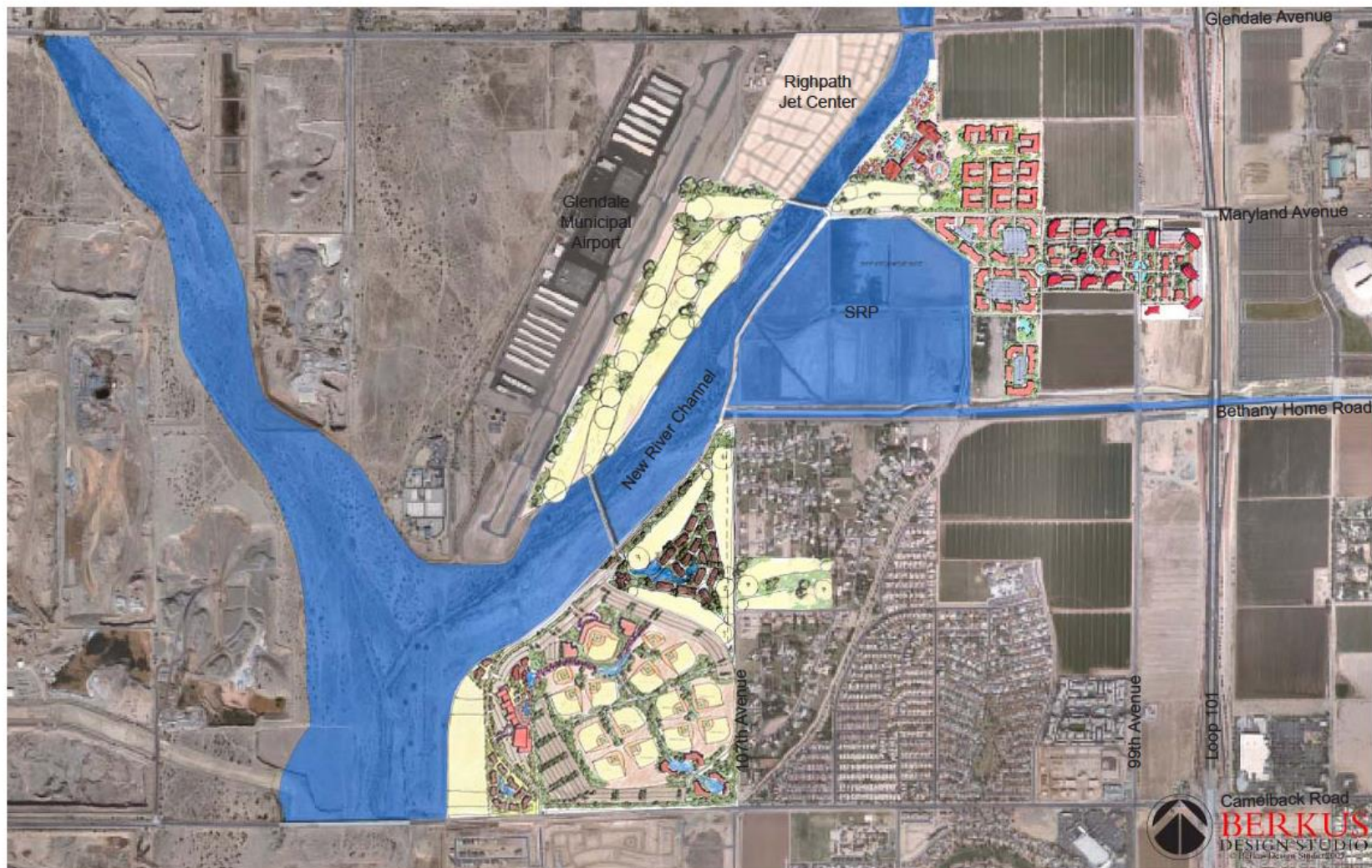
Source of Funds

AZSTA Contribution	\$48,000,000
Public/Private Contribution	<u>32,700,000</u>
Total Sources	\$80,700,000

Uses of Funds

Spring Training Facilities	\$62,000,000
Infrastructure	10,000,000
Parking Costs	6,000,000
Financing & Related Costs	<u>2,700,000</u>
Total Uses	\$80,700,000

Rightpath Ltd.



Rightpath Limited Contribution

- Acquire and develop land on Main Street PAD
- Develop Camelback Ranch parcels
- Lease and Operate Airport FBO
- Revenue Share Agreement
 - 6% on Main Street development activity
 - 6% on Camelback Ranch development activity
 - 3% on Airport development activity

Received to Date: \$0.00

Facility Development Agreement

C-6261

November 2, 2007

Facility Development

- City responsible for land and construction of facility.
- Dodger contribution for minor league facility.
- Termination upon final completion of the facility.
 - - Facility open and operating since 2009

Facility Use Agreement

C-6368

November 2, 2007

Baseball Teams

- Teams relocate to Facility
- Facility use - free of charge
- Teams responsible for maintenance and operations
- Teams retain all revenues (sales, advertising, naming, parking)
- City responsible for Capital maintenance and improvements
- Long-term lease (initial term expires in 2028)
 - 4 options to renew (5 years each)

Received to Date: \$10,935,779.00 (1X Capital Contribution)

Baseball Teams

Description	Amount
Field	\$ 7,300,000
Dodger's Clubhouse	\$ 3,398,939
Added Seat Installations	\$ 10,011
Dodger's Owners Furniture	\$ 18,210
Added Broadcast Cabling	\$ 208,619
TOTAL CONTRIBUTION	<u>\$ 10,935,779</u>

Funding Construction Costs

Description	Amount
Total Project Costs	\$ 152,592,785
Less Team Contributions	(10,935,779)
Total City Financed Project Costs	141,657,006
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Financed interest costs	57,452,912
Bond issuance and other costs	640,082
Public Facility Corporation Principal	199,750,000
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Bond premium net of issuance costs	(10,144,000)
Financed interest	10,649,000
MPC outstanding debt	200,255,000

Repair and Upgrade

- City is responsible for all Capital and Upgrades (FUA 8.1)
 - Capital Repairs
 - Requirements of MLB; Ex: magnetometers (FUA 8.3.7).
 - Replace Fields, not more than once every 6 years (FUA 8.3.8).
- Facility Upgrades (FUA 8.4).
 - Maintain a comparable level to other complexes.
 - Technological improvements in at least 2 out of 3 complexes, then City shall install within 2 years. Ex: Scoreboard

Additional Improvements

- Teams contemplating developing, in the southeast corner of the site, on land not otherwise designated to be used as part of the Facility, a conference center that may be used to house players during spring training and for other compatible purposes.(FUA 4.4.8).
 - - parties negotiate in good faith ownership and use rights
 - - City not required to contribute to development and construction

Option Agreement

C-6364

November 9, 2007

Option Agreement

- As part of the funding of the transaction/Inducement.
- Option to purchase Lot A (Hickman Hog Farm - brown lot) and Lot B (west of the intersection of Northern Avenue and 91st Avenue).
 - Lot A (Brown lot) - approximately 801,901 square feet.
 - Lot B – approximately 486,478 square feet.
- \$10.581 times the gross square footage of each parcel. Payable in cash.
- Expires November 8, 2017 (12 month extension for entitlements).

Phoenix IGA

C-7072 (C-7072-1, amendment)

October 9, 2009

October 14, 2014

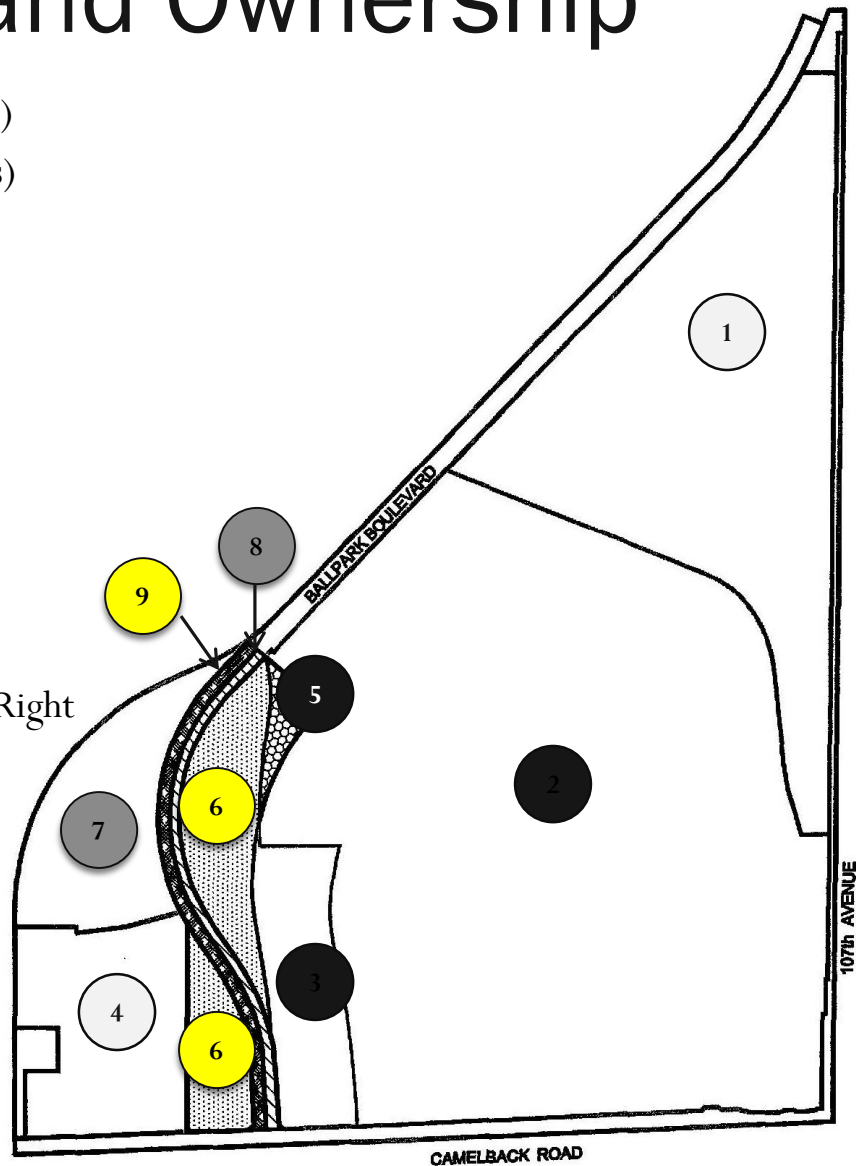
City of Phoenix

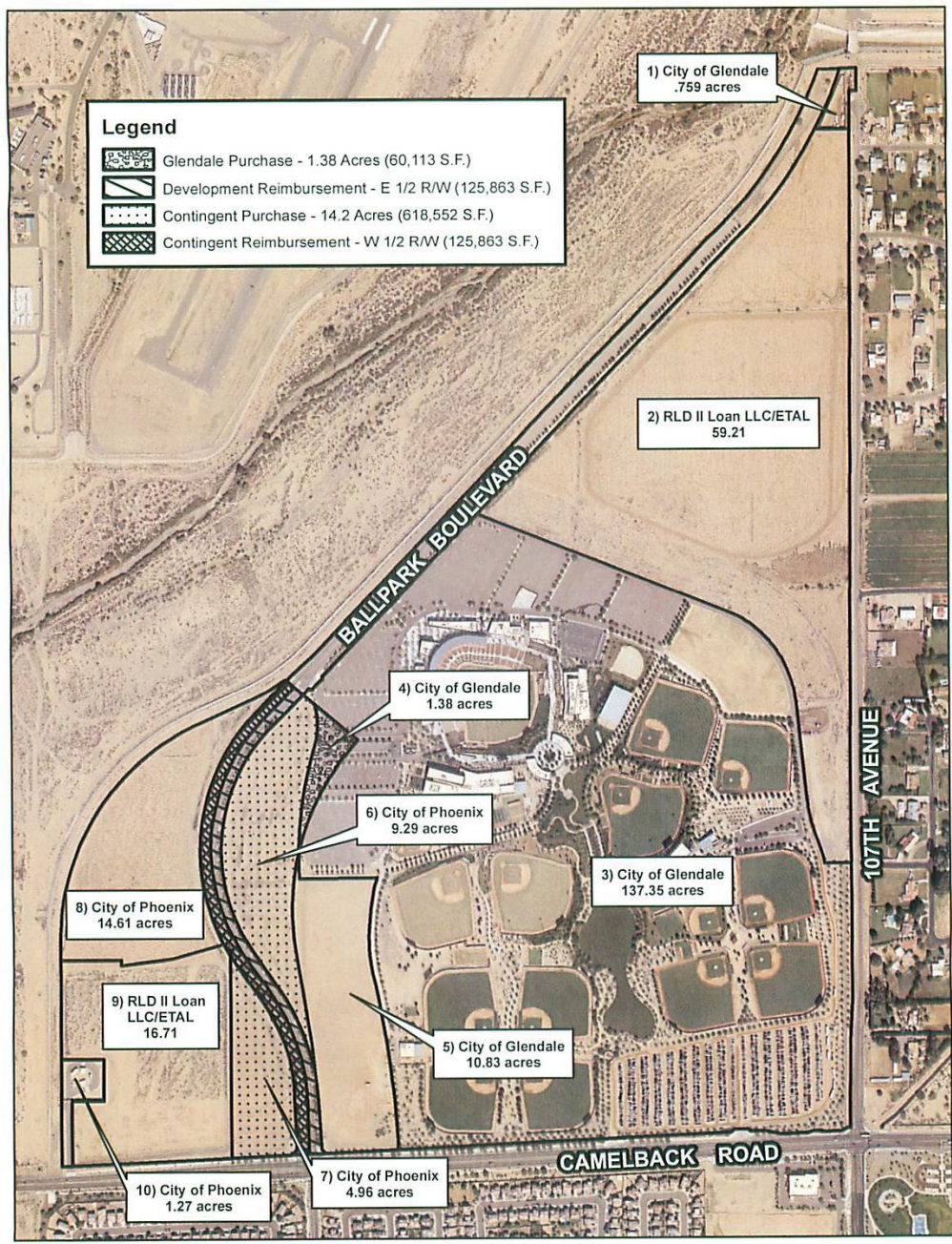
- Tax Pledge: 80% of General Fund TPT
- Capped at \$37 million
- Construct Ballpark Boulevard
- Contingencies:
 - Purchased to date = \$1.7 million
 - \$300,000 – purchase 1.38 acres for parking
 - \$630,000 – reimbursement eastern half right of way
 - \$770,000 – reimbursement park planning costs
 - Contingent items = \$3.7 million*
 - \$3,100,000 – purchase 14.25 acres
 - \$630,000 – reimbursement western half of right of way

*Must be paid or in process by October 9, 2014

Current Land Ownership

1. RLD II Loan LLC (59.21 acres)
2. City of Glendale (137.35 acres)
3. City of Glendale (10.83 acres)
4. RLD II Loan LLC (16.71 acres)
5. City of Glendale (1.38 acres)
6. Phoenix Contingent Purchase (Pending) (14.25 acres)
7. City of Phoenix (14.61 acres)
8. Phoenix Eastern Right of Way (COG Paid)
9. Phoenix Contingent Western Right of Way (Pending)





City of Phoenix (as amended 2014)

- Tax Pledge: 80% of General Fund TPT
- Capped at \$37 million **(\$16,447,079)**
- Construct Ballpark Boulevard **(to be constructed in the course of development)**
- Contingencies:
 - Purchased to date = \$1.7 million
 - \$300,000 – purchase 1.38 acres for parking
 - \$630,000 – reimbursement eastern half right of way
 - \$770,000 – reimbursement park planning costs
 - Contingent items = \$3.7 million*
 - \$3,100,000 – purchase 14.25 acres
 - \$630,000 – reimbursement western half of right of way

*Must be paid or in process by October 9, 2014. **Paid in installments**

City of Phoenix (as amended 2014)

- Glendale pays following on October 19th of each year:
 - Current Fiscal Year (2014): \$345,750, which is the balance due for reimbursement for Phoenix's dedication for the right-of-way for Ballpark Boulevard;
 - Fiscal Years 2015-2016, 2016-2017, and 2017-2018: \$668,646, which represents one third of the purchase price for the Phoenix-owned property east of Ball Park Boulevard (9.21 acres x \$5 psf = \$2,005,938 / 3 = \$668,646 (Lot 5));
 - Fiscal Year 2018-2-19: \$1,086,822, the purchase price for the Phoenix-owned property west of Ballpark Boulevard (4.99 acres x \$5 psf (Lot 3)).

AZSTA IGA

C-7263

October 1, 2009

AZSTA

- Funding commitment: 66.7% of \$90 million (\$60M)
- Baseball funding priorities ahead of Glendale:
 - Subordinate bonds
 - Other facility renovations
- Interest accrues on outstanding receivable (4-5%)
- Original projection – payments begin in 2017
- Current projection – payments begin in 2021**
- Current value of receivable as of July 2016 = \$83.6M million
 - \$60M principal balance + \$23.6M interest.

Received to Date: \$0.00

Forecast

Financial Forecast

Description	Budget FY2014	5-year Forecast
Revenue/Fund Balance*	\$ 286,382	\$ 654,260
Expenses:		
Camelback Ranch Operations	\$ (57,334)	\$ (550,410)
Engineering Department Capital**	\$ (479,048)	\$ (6,100,000)
Camelback Ranch Capital (IGA Exp)		\$ (3,722,075)
Debt Service MPC	\$ (11,111,968)	\$ (54,870,635)
Sub-Total	\$ (11,648,350)	\$ (64,588,860)
DIFFERENCE	\$ (11,361,968)	\$ (63,934,600)

* Does not include effluent revenue of \$72,252 recorded in the water/sewer fund

**\$6.1M forecast based on Total Life Cycle Cost Assessment presented on 2/4/14

Financial Forecast

Camelback Ranch Baseball Stadium

Description	Budget	5-year
	FY2018	Forecast
Revenue:		
Sales Tax Revenues	\$100,913	\$531,404
Fire charge for services	\$59,752	\$314,651
Subtotal	\$160,665	\$846,055
Expenses:		
Camelback Ranch Operations		
Engineering Department Capital *	\$1,589,481	\$4,996,489
CBR scoreboard	\$1,000,000	\$0
Camelback Ranch Capital (IGA)	\$668,646	\$1,755,468
Debt Service MPC **	\$8,863,192	\$58,592,885
Subtotal	\$12,121,319	\$65,344,842
Difference	\$ (11,960,655)	\$ (64,498,787)

*fy 2018 includes a carryover of \$752,729

**amounts reflect the 2012C and 2012D bonds only.

PFC & MPC Debt Service Payments

Camelback Ranch Debt Service			
Fiscal Year	Principal	Interest	Total
2009	-	8,709,916	8,709,916
2010	-	13,010,663	13,010,663
2011	-	13,010,663	13,010,663
2012	-	13,010,663	13,010,663
2013	-	11,121,670	11,121,670
2014	2,080,000	9,031,968	11,111,968
2015	3,920,000	9,004,928	12,924,928
2016	4,365,000	8,946,128	13,311,128
Payments Made	10,365,000	85,846,596	96,211,596
2017	-	8,863,193	8,863,193
2018	-	8,863,193	8,863,193
2019	2,045,000	8,863,193	10,908,193
2020	4,440,000	8,809,000	13,249,000
2021	3,960,000	8,670,250	12,630,250
2022	4,470,000	8,472,250	12,942,250
2023-2031	57,705,000	64,626,000	122,331,000
2032-2038	117,270,000	24,116,800	141,386,800
Future Payments	189,890,000	141,283,878	331,173,878
Estimated Total Payments	200,255,000	227,130,473	427,385,473

Discussion

Land Use - Airport

