

City of Glendale Council Workshop Agenda

February 18, 2014 – 1:30 p.m.

Welcome!

We are glad you have chosen to attend this meeting. We welcome your interest and encourage you to attend again.

Form of Government

The City of Glendale has a Council-Manager form of government. Policy is set by the elected Council and administered by the Council-appointed City Manager. The Council consists of a Mayor and six Councilmembers. The Mayor is elected every four years by voters city-wide. Councilmembers hold four-year terms with three seats decided every two years. Each of the six Councilmembers represent one of six electoral districts and are elected by the voters of their respective districts (see map on back).

Voting Meetings and Workshop Sessions

Voting meetings are held for Council to take official action. These meetings are held on the second and fourth Tuesday of each month at 6:00 p.m. in the Council Chambers of the Glendale Municipal Office Complex, 5850 West Glendale Avenue. **Workshop sessions** provide Council with an opportunity to hear presentations by staff on topics that may come before Council for official action. These meetings are generally held on the first and third Tuesday of each month at 1:30 p.m. in Room B3 of the Glendale Municipal Office complex.

Special voting meetings and workshop sessions are called for and held as needed.

Executive Sessions

Council may convene to an executive session to receive legal advice, discuss land acquisitions, personnel issues, and appointments to boards and commissions. Executive sessions will be held in Room B3 of the Council Chambers. As provided by state statute, executive sessions are closed to the public.

Regular City Council meetings are telecast live. Repeat broadcasts are telecast the second and fourth week of the month – Wednesday at 2:30 p.m., Thursday at 8:00 a.m., Friday at 8:00 a.m., Saturday at 2:00 p.m., Sunday at 9:00 a.m. and Monday at 1:30 p.m. on Glendale Channel 11.

If you have any questions about the agenda, please call the City Manager's Office at (623)930-2870. If you have a concern you would like to discuss with your District Councilmember, please call the City Council Office at (623)930-2249



For special accommodations or interpreter assistance, please contact the City Manager's Office at (623)930-2870 at least one business day prior to this meeting. TDD (623)930-2197.

Para acomodacion especial o traductor de español, por favor llame a la oficina del administador del ayuntamiento de Glendale, al (623) 930-2870 un día hábil antes de la fecha de la junta.

Councilmembers

Cactus District – Ian Hugh
Cholla District – Manuel D. Martinez
Ocotillo District – Norma S. Alvarez
Sahuaro District – Gary D. Sherwood
Yucca District – Samuel U. Chavira



MAYOR JERRY P. WEIERS

Vice Mayor Yvonne J. Knaack – Barrel District

Appointed City Staff

Brenda S. Fischer – City Manager
Michael D. Bailey – City Attorney
Pamela Hanna – City Clerk
Elizabeth Finn – City Judge

Meeting Agendas

Generally, paper copies of Council agendas may be obtained after 4:00 p.m. on the Friday before a Council meeting from the City Clerk Department inside Glendale City Hall. Additionally, the agenda and all supporting documents are posted to the city's website, www.glendaleaz.com

Public Rules of Conduct

The presiding officer shall keep control of the meeting and require the speakers and audience to refrain from abusive or profane remarks, disruptive outbursts, applause, protests, or other conduct which disrupts or interferes with the orderly conduct of the business of the meeting. Personal attacks on Councilmembers, city staff, or members of the public are not allowed. It is inappropriate to utilize the public hearing or other agenda item for purposes of making political speeches, including threats of political action. Engaging in such conduct, and failing to cease such conduct upon request of the presiding officer will be grounds for ending a speaker's time at the podium or for removal of any disruptive person from the meeting room, at the direction of the presiding officer.

How to Participate

Voting Meeting - The Glendale City Council values citizen comments and input. If you wish to speak on a matter concerning Glendale city government that is not on the printed agenda, please fill out a blue Citizen Comments Card. Public hearings are also held on certain agenda items. If you wish to speak on a particular item listed on the agenda, please fill out a gold Public Hearing Speakers Card. Your name will be called when the Public Hearing on the item has been opened or Citizen Comments portion of the agenda is reached. **Workshop Sessions** - There is no Citizen Comments portion on the workshop agenda.

When speaking at the Podium - Please state your name and the city in which you reside. If you reside in the City of Glendale, please state the Council District you live in.

Regular Workshop meetings are telecast live. Repeat broadcasts are telecast the first and third week of the month – Wednesday at 3:00 p.m., Thursday at 1:00 p.m., Friday at 8:30 a.m., Saturday at 2:00 p.m., Sunday at 9:00 a.m. and Monday at 2:00 p.m. on Glendale Channel 11.



Council District Boundaries





GLENDALE CITY COUNCIL WORKSHOP SESSION
Council Chambers – Room B3
5850 West Glendale Avenue
February 18, 2014
1:30 p.m.

One or more members of the City Council may be unable to attend the Workshop or Executive Session Meeting in person and may participate telephonically, pursuant to A.R.S. § 38-431(4).

CALL TO ORDER

WORKSHOP SESSION

1. COUNCIL ITEM OF SPECIAL INTEREST: CAMELBACK RANCH SPRING TRAINING FACILITY
PRESENTED BY: Brian Friedman, Executive Director, Community and Economic Development, Michael Bailey, City Attorney, and Tom Duensing, Executive Director, Financial Services

CITY MANAGER'S REPORT

This report allows the City Manager to update the City Council. The City Council may only acknowledge the contents to this report and is prohibited by state law from discussing or acting on any of the items presented by the City Manager since they are not itemized on the Council Workshop Agenda.

COUNCIL ITEMS OF SPECIAL INTEREST

Councilmembers may indicate topic(s) they would like to have discussed by the Council at a future Workshop and the reason for their interest. The Council does not discuss the new topics at the Workshop where they are introduced.

EXECUTIVE SESSION

1. LEGAL MATTERS – PROPERTY & CONTRACTS

- A. The City Council will meet with the City Attorney for legal advice, discussion and consultation regarding the city's position in pending or contemplated litigation, including settlement discussions conducted in order to avoid or resolve litigation. (A.R.S. § 38-431.03(A)(3)(4))
- B. The City Council will meet with the City Attorney and City Manager to receive an update, consider its position and provide instruction and direction to the City Attorney and City Manager regarding Glendale's position in connection with agreements associated with the Cactus League facility. (A.R.S. § 38-431.03(A)(3)(4))

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (i) discussion or consideration of personnel matters (A.R.S. § 38-431.03(A)(1));
- (ii) discussion or consideration of records exempt by law from public inspection (A.R.S. § 38-431.03(A)(2));
- (iii) discussion or consultation for legal advice with the city's attorneys (A.R.S. § 38-431.03(A)(3));
- (iv) discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. § 38-431.03(A)(4));
- (v) discussion or consultation with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. § 38-431.03(A)(5)); or
- (vi) discussing or consulting with designated representatives of the city in order to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. § 38-431.03(A)(7)).

Confidentiality

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. § 38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed \$500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless the City Council takes a legal action at a properly noticed open meeting to approve of such expenditure prior to incurring any such obligation or indebtedness. A.R.S. § 38-431.07(A)(B).

Items Respectfully Submitted,



Brenda S. Fischer, ICMA-CM
City Manager



WORKSHOP COUNCIL REPORT

Meeting Date: **2/18/2014**
Meeting Type: **Workshop**
Title: **COUNCIL ITEM OF SPECIAL INTEREST: CAMELBACK RANCH SPRING TRAINING FACILITY**
Michael Bailey, City Attorney
Presented by: **Brian Friedman, Executive Director Community & Economic Development**
Jean Moreno, Innovate Administrator

Purpose and Policy Guidance

The purpose of this report is to provide historical information for the City Council regarding the development project that resulted in the construction of Camelback Ranch Spring Training Facility; and, to provide preliminary information to City Council regarding a deferred purchase and deferred reimbursement obligation payable to the City of Phoenix in the amount of \$3,722,075 before October 9, 2014.

Background

In 2007, the Glendale City Council voted to execute various agreements to construct a Cactus League Spring Training Facility to be utilized by the Los Angeles Dodgers and the Chicago White Sox. This development was later named Camelback Ranch, and is a Major League Baseball Spring Training Facility located at 107th Avenue and Camelback Road within the City of Phoenix boundaries. The City of Glendale owns the land and buildings that constitute the facility and is responsible for capital improvements, while the two teams occupy, maintain, and operate the facility.

The City Council authorized the execution of C-7072, Intergovernmental Agreement (IGA) Concerning Certain Responsibilities for Camelback Ranch between the cities of Glendale and Phoenix dated October 9, 2009. The Glendale/Phoenix IGA established a requirement for the acquisition of adjacent land owned by the City of Phoenix and payment for public right of way. The agreement also established a Tax Pledge by the City of Phoenix to pay 80% of the General Fund portion of transaction privilege tax revenues for taxable activities occurring on Camelback Ranch for a 40-year term up to a total maximum pledge of \$37 million.

In response to a Council Item of Special Interest request made on August 20, 2013, staff began the process of researching all aspects of the development including terms of all of the agreements, expenditures paid to date, future reimbursements expected, and future revenue anticipated. The results of staff's research to date are included in the attached Camelback Ranch Informational Report which is still in the draft stage of development.



WORKSHOP COUNCIL REPORT

Previous Related Council Action

Appendix A within in the attached Camelback Ranch Informational Report includes a historical timeline of Council Action related to this item. Refer to that report for details.

Budget and Financial Impacts

There are no budget or financial impacts associated with this Council requested presentation.

Attachments

Camelback Ranch Informational Report

CITY OF GLENDALE



CAMELBACK RANCH

INFORMATIONAL REPORT

DRAFT

DRAFT
VERSION 1
FEBRUARY 13, 2014

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CAMELBACK RANCH

Informational Report

Executive Summary

Camelback Ranch – Glendale is a Cactus League Spring Training Facility constructed by the City of Glendale located at 107th Avenue and Camelback Road within the City of Phoenix boundaries. The facility is the spring training home of two Major League Baseball teams – the Los Angeles Dodgers and the Chicago White Sox. The project was first brought forward for City Council consideration in the spring of 2006 during executive session. Over the course of the next year, staff provided follow-up information and material about the proposal to City Council during executive session on approximately fifteen occasions. In June 2007, the Glendale City Council adopted a resolution authorizing the City Manager to enter into multiple agreements with various partners relating to the construction of the facility and development of related land. For additional details regarding historical City Council actions and related activity, refer to the timeline provided in Appendix A.

Please note that this report provides a summary of the contracts, legal documents, City Council reports, and other public records regarding the Camelback Ranch project. Due to the fact that Camelback Ranch is a dynamic project, information contained in the report may change over time.

Economic Studies

The City of Glendale commissioned two economic impact studies to determine the potential impacts of the proposed project. The first study, dated March 17, 2006, was an economic impact analysis prepared by Economic Research Associates (ERA) and assessed the value (considering direct impacts only) that the specific franchises (Dodgers and White Sox) might bring to a new Spring Training facility located in the vicinity of Glendale’s Sports and Entertainment District. The study included an assessment of the economic impacts each team had on their spring training communities in 2006 and concluded that if located in the aforementioned area, the total estimated direct economic impact of the two teams would be \$14.9 million per year with the potential of \$19.2 million per year if the facilities were operated year-round. ¹

The second study, dated August 21, 2007, was prepared by Level 5 Engineering for International Facilities Group to assess the infrastructure costs that would be incurred for the development of a Major League Baseball training facility and park area with associated developments near 107th Avenue and Camelback Road. The report identified the costs for professional services, right of way acquisition, roadway construction, traffic, drainage, sanitation, and utilities at a cost of \$45,374,723. ²

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Land, Partners, & Facility Use

Camelback Ranch is a multi-jurisdictional and multi-partner project. The project partners included City of Glendale, City of Phoenix, Arizona Sports and Tourism Authority, Rightpath Limited LLC (developer), and Teams. Figure 1 below depicts the property on which the facility was constructed and the ownership of the parcels in 2006, prior to the executing contractual agreements.

Figure 1

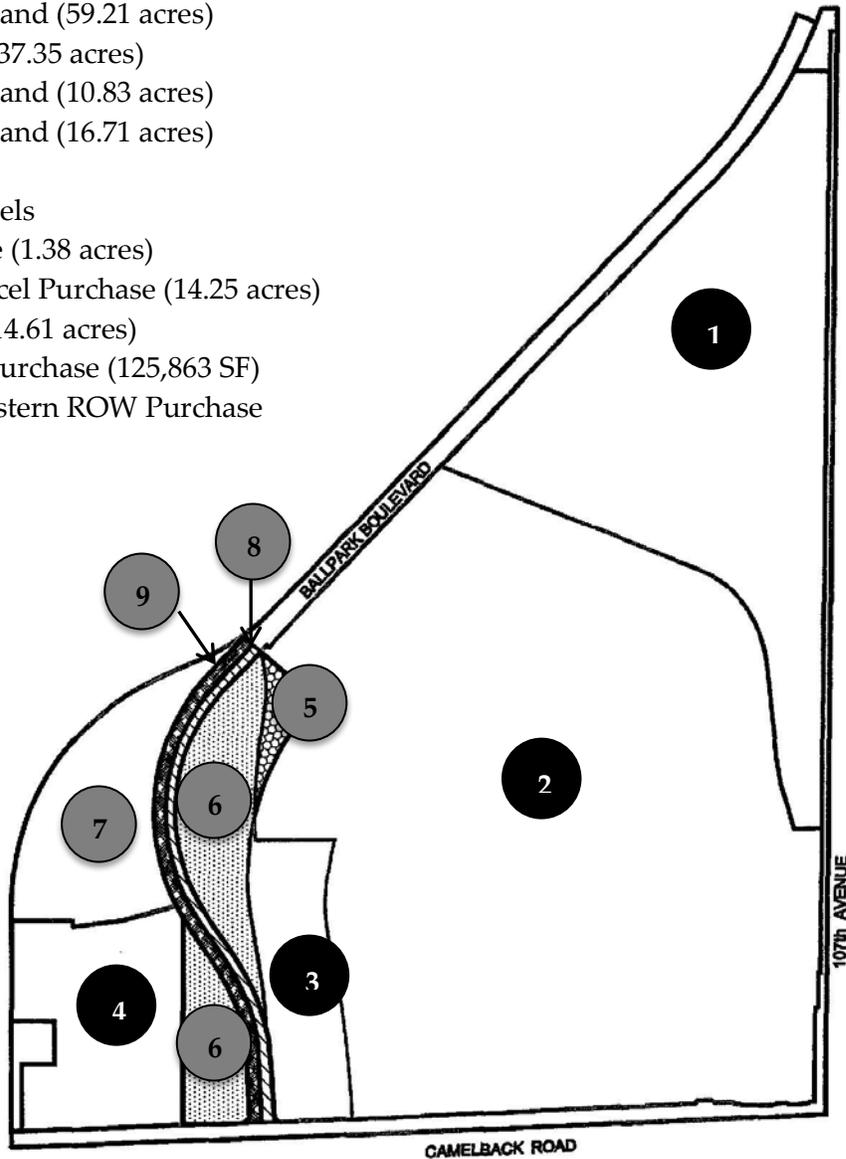
2006 Land Ownership

Glendale Owned Parcels

1. Development Land (59.21 acres)
2. MLB Facility (137.35 acres)
3. Development Land (10.83 acres)
4. Development Land (16.71 acres)

Phoenix Owned Parcels

5. Parcel Purchase (1.38 acres)
6. Contingent Parcel Purchase (14.25 acres)
7. Park Acreage (14.61 acres)
8. Eastern ROW Purchase (125,863 SF)
9. Contingent Western ROW Purchase (125,863 SF)



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City of Phoenix Land and Tax Pledge

On October 9, 2009, the City of Glendale entered into an Intergovernmental Agreement with the City of Phoenix relating to the development of the facility located in the City of Phoenix. Phoenix's contribution to the project was to, "...assist with the development of the associated public improvements on the Development Land...through the dedication of transaction privilege tax revenues..."³ The agreement established a Tax Pledge by the City of Phoenix wherein the City of Phoenix agreed to pay 80% of the General Fund portion of transaction privilege tax revenues that were received by Phoenix for taxable activities occurring on Camelback Ranch for a 40-year term up to a total maximum pledge of \$37 million.

Additionally, the agreement called for the City of Glendale to acquire land owned by the City of Phoenix through an immediate land purchase, immediate cost reimbursement, contingent purchase, and contingent reimbursement. All land acquisition (immediate and contingent) was to be paid at the 2009 appraised value of \$5.00 per square foot. The City of Glendale has already executed the following payments regarding the immediate land purchase and cost reimbursement pursuant to the agreement:

Amount	Description
\$300,565	Purchase: 1.38 acre parcel (60,113 square feet) acquired for parking (Fig. 1, #5)
\$629,315	Reimbursement: Eastern half of the right of way (125,863 square feet) (Fig. 1, #8)
\$768,711	Reimbursement: Sunk costs associated with Phoenix's regional park planning
\$1,698,591	Total paid to City of Phoenix

The contingent purchase and reimbursement remaining must be made or in the process of being made five years after the effective date of the agreement which is October 9, 2014. The contingent purchase is shown in Figure 1 as parcel 6 (two sections) totaling 14.25 acres (618,552 square feet) for a purchase price of \$3,092,760. The contingent reimbursement is shown in Figure 1, item 9 for the western half of the right of way totaling 125,863 square feet at a cost of \$629,315. The total cost of these future obligations is \$3,722,075.

Glendale does not have to execute the duty to purchase/reimburse if Phoenix expresses written intent to retain the property; or, in the case of the contingent purchase, if Glendale produces a buyer who is ready, willing, and able to pay Phoenix the full purchase amount. If Glendale does not adhere to the terms of the IGA with regard to the contingent payments, all other terms within the IGA (including the Tax Pledge) would be nullified.

Since the inception of the IGA, the City of Glendale has received \$200,585.60 from the City of Phoenix for the Tax Pledge contributions associated with the agreement as shown in Appendix B in the revenues section.⁴

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Development Land Uses

The City of Glendale also entered into a development agreement with Rightpath Limited LLC for the purpose of creating new revenue streams that were intended to pay the debt service for the Camelback Ranch project. The development land included parcels located adjacent to the Camelback Ranch facility owned by the City of Glendale and shown in Figure 1 as parcels 1, 3, and 4. Rightpath Limited LLC acquired parcels 1 and 4 from the City of Glendale. In addition, Rightpath Limited LLC acquired approximately 150 acres of land located within the City of Glendale boundaries on the Main Street Planned Area Development; and, entered into a long-term lease agreement with the City of Glendale to be the Fixed Base Operator for the Glendale Airport.⁵

The development planned for the Camelback Ranch site included retail, resort/timeshare, and restaurant. Main Street was to include retail, hotel/resort, office/lofts, restaurants, and multi-family housing. In addition to transaction privilege tax revenues on activity located in Glendale and the Tax Pledge related to transactions on the Camelback Ranch site, Rightpath Limited LLC and the City of Glendale entered into a revenue sharing agreement that dedicated 6% of adjusted gross profits for development activities taking place on Camelback Ranch, 6% for those taking place within Main Street, and 3% for those taking place at the Airport property.⁶

Facility Use

The City of Glendale also entered into a Facility Development Agreement (C6261) and a Facility Use Agreement (C6368) with both teams. Generally, these agreements specify that the teams will assume all costs associated with operations and maintenance with the exception of capital repairs. The teams retain all revenue associated with ticket sales, parking, naming rights, concessions, and all other revenue generating activities. The team is also responsible for managing parking operations and also retains any associated revenue. The initial term of the lease is 19 years with the option of exercising four additional 5-year renewals which would allow the team to leave in 2028.⁷

In exchange for use of the facility, the teams were each required to pay \$1.00/year (in advance) for the 19 year term for a total of \$38.00.⁸ The teams are required to provide 6 tickets for all games to the AZSTA, 10 tickets for all games to the City of Glendale, and one luxury suite to the City of Glendale for all events.⁹ The City of Glendale will be permitted to utilize any unsold advertising space for public service announcements or promotions and shall have the right to utilize the stadium, parking lots, and fields for up to five days per year for civic, youth, and recreation events.¹⁰

The City of Glendale is responsible for providing all public safety services relating to police, fire, public transportation, and traffic control services that are customarily provided by the City for public events of similar size.¹¹ In addition, the City of Glendale is responsible for establishing and funding a capital repairs account to accumulate funding for capital repairs and improvements.¹²

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Arizona Sports & Tourism Authority

Effective October 1, 2009, the City of Glendale and the Arizona Sports and Tourism Authority (AZSTA) entered into an agreement pertaining to the Glendale Spring Training Facility Construction Project. The AZSTA’s contribution was identified as 66.7% of Project Costs not to exceed \$90,022,966 and covered all costs associated with the facility and land improvements for practice fields, parking areas, and a clubhouse and related facilities.¹³

The AZSTA funding pledged for the project is \$60,045,318 and the principal balance shall accrue interest until it is paid. The funding source for this pledge are tax revenue funds dedicated for Cactus League Promotion provided to the AZSTA from the Maricopa County Stadium District (MCSD).¹⁴ The interest rate applied to the principal balance through December 13, 2012 was 5% and the interest rate from December 14, 2012 forward is being accrued at 4.13%.¹⁵ The total estimated receivable with interest accrued through June 30, 2013 is approximately \$74,019,000.¹⁶

At the time of the original agreement in 2009, the AZSTA projected they would begin making payments to Glendale in 2017 noting that this, “...is a projection only and the exact date of commencement may be sooner or later than this date.”¹⁷ The original agreement outlined several funding priorities that were ahead of the funding pledged to Glendale; those priorities have not changed and include payment of subordinate bonds, debt service on facilities previously constructed, and renovations on previously constructed facilities.¹⁸ Due to the fact that AZSTA funding sources are based in tax revenue, their fund projections have been impacted by the national economy. As you can see from Figure 2 below provided by the AZSTA, the revised projection for payments to Glendale is now 2025-2026 noting that the AZSTA sunsets in 2031.

Figure 2

Cactus League Distribution (Statutory + IGA Priority)	Projected Start	Projected End
Bonds		
Subordinate Bonds Debt Svc	ongoing	07/01/16
Renovations		
City of Tempe	ongoing	2019 - 2022
City of Scottsdale	ongoing	2020 - 2023
City of Phoenix - Maryvale	2020 - 2023	1 year
City of Mesa - HoHoKam	2020 - 2023	3 years
City of Peoria	2020 - 2023	3 years
City of Surprise	2023 - 2025	3 years
New Construction		
City of Glendale @ 5/8	2025 - 2026	2031 *
City of Goodyear @ 3/8	2025 - 2026	2031 *

* AZSTA sunsets in 2031. MCSD \$ continue

---AZSTA DRAFT ---

For projection discussion purposes only. Note to be considered a timeline for repayment.

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Project Costs

The entire project consisted of multiple components which included land acquisition, design and construction administration, facility construction, permits, utilities, and FF&E (furniture, fixtures, and equipment). In each of these component areas, costs are separated between on-site improvements for the facility itself; and, off-site improvements related to infrastructure. Tables 1-3 below outline approximate costs associated with the project including a comprehensive overview of all project costs, detailed off-site infrastructure costs, and team contributions.¹⁹

Table 1 – Total Project Costs

Description	On-Site (Facility)	Off-Site (Infrastructure)	Total Cost
Land paid by PFC (off-site)	\$ -	\$ 1,757,631	\$ 1,757,631
Design/Construction Administration	\$ 6,208,485	\$ 7,048,685	\$ 13,257,170
Construction	\$ 109,750,116	\$ 20,767,941	\$130,518,057
Permits	\$ 895,446	\$ 530,801	\$ 1,426,247
Utilities	\$ 324,189	\$ 735,000	\$ 1,059,189
Miscellaneous Costs	\$ 142,628	\$ 302,125	\$ 444,753
FF&E (furniture, fixtures, and equipment)	\$ 4,129,738	\$ -	\$ 4,129,738
Sub-Total	\$ 121,450,602	\$ 31,142,183	\$152,592,785
Less Teams' Contributions	\$ (10,935,779)	\$ -	\$ (10,935,779)
TOTAL	\$ 110,514,823	\$ 31,142,183	\$141,657,006

Table 2 – Off-Site Infrastructure¹

Item	Description	Amount
Street Infrastructure	Roadways, landscape, street lighting, traffic lights	\$ 5,030,257
Water/Sewer Infrastructure	Water, sewer, lift station	\$11,416,822
Earthwork	Mass overlot grading	\$ 501,803
Site Investigation	Pot hole services and utility locates	\$ 64,130
Dry Utilities	Power, cable, fiber	\$ 1,568,155
Tail-water Construction	Relocate and underground irrigation water	\$ 1,407,832
Storm Water	Dry-wells at storm water retention basins	\$ 177,935
Systems Controls & Commissioning	Start-up and control lift station and other systems	\$ 80,114
Road Crossings/Manholes	Misc. work at roadways and utilities	\$ 143,151
Pre-construction	Design phase assistance and pricing	\$ 377,742
TOTAL OFF-SITE INFRASTRUCTURE		\$20,767,941

¹ The original off-site construction contracts earmarked \$6 million for the extension of Ballpark Boulevard to the north of the facility; however, the roadway extension was never constructed and no funding was spent for that purpose.

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Table 3 – Team Contributions

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	\$ 10,935,779

City of Glendale Bond Financing

On September 23, 2008 the City Council approved an ordinance authorizing the sale of up to \$200 million of Western Loop 101 Public Facilities Corporation (PFC) excise tax revenue bonds to provide interim financing of the Glendale Spring Training Facility pending receipt of Arizona Sports and Tourism Authority (AZSTA) funds and revenue from the planned development.

On October 1, 2008, the City issued \$199,750,000 in PFC bonds.²⁰ The bond proceeds were utilized to pay for the costs associated with the facility as outlined above. The remaining bond proceeds were set aside to be utilized for debt service payments. The general summary of bond proceed use is shown in Table 4 below. For additional details regarding overall revenues, expenses, and debt service, refer to Appendix B.²¹

Table 4

SUMMARY DATA	
PFC Bond Issue	\$ 199,750,000
Project Costs	\$ (141,657,006)
Debt Service Payments from PFC FY2009-13	\$ (60,752,575)
Miscellaneous	\$ (141,082)
Sub-Total	\$ (2,800,663)
Funded w/Proceeds from 2012 MPC Restructure	\$ 2,800,663
BOND FUNDS REMAINING	\$ 0

On December 12, 2012 the City issued \$200,255,000 in Municipal Property Corporation (MPC) bonds to refund the Camelback Ranch PFC bonds that were issued in 2008 to a lower interest rate, \$16,850,000 in taxable bonds and \$183,405,000 in tax-exempt bonds. The taxable bonds totaling \$16,850,000 cannot be redeemed prior to their maturity date. Tax exempt bonds maturing on or before July 1, 2032 (\$75,160,000 in total) can be redeemed on January 1, 2018 or any date thereafter. Tax exempt bonds maturing on July 1, 2038 (totaling \$21,555,000) can be redeemed on or after January 1, 2023. This transaction was a component of a larger debt restructure that included refinancing other MPC bonds. Overall, the city realized a future cash flow savings of approximately \$50.6 million for this transaction. For additional details regarding the future Debt Service Schedule, refer to Appendix C MPC Bond Series 2012C Debt Service Schedule. This debt service schedule provides the projected dates AZSTA

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payments would begin given the current schedule, the year in which the teams' lease expires, and the year in which the AZSTA sunsets.

On December 17, 2013 staff made a workshop presentation to the City Council regarding the General Fund Five-Year Financial Forecast. A component of that presentation included information regarding anticipated General Fund costs associated with Camelback Ranch; that information is duplicated below in Table 6.²²

Table 6

Camelback Ranch	FY13-14		Forecast				
	Budget	Revised	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
Revenue - Camelback Ranch	\$ 130,852	\$ 130,852	\$ 130,852	\$ 130,852	\$ 130,852	\$ 130,852	\$ 130,852
Other Sources (Fund Balance)	\$ 155,530	\$ 155,530	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ (11,111,968)	\$ (11,111,968)	\$ (12,924,928)	\$ (13,311,128)	\$ (8,863,193)	\$ (8,863,193)	\$ (10,908,193)
Camelback Ranch Operations	\$ (110,082)	\$ (110,082)	\$ (110,082)	\$ (110,082)	\$ (110,082)	\$ (110,082)	\$ (110,082)
Camelback Ranch Capital Repair	\$ (426,300)	\$ (426,300)	\$ (836,752)	\$ (836,752)	\$ (836,752)	\$ (836,752)	\$ (836,752)
Camelback Ranch Capital	\$ -	\$ -	\$ (3,722,075)	\$ -	\$ -	\$ -	\$ -
Subtotal Camelback Ranch	\$ (11,361,968)	\$ (11,361,968)	\$ (17,462,985)	\$ (14,127,110)	\$ (9,679,175)	\$ (9,679,175)	\$ (11,724,175)

End of Report

Appendix A – Historical Timeline

On March 7, 2006, Glendale City Council convened in executive session to discuss a potential development opportunity related to the relocation of spring training operations for two specific Major League Baseball teams – the Chicago White Sox and Los Angeles Dodgers.

On March 13, 2006, Economics Research Associates (ERA) was retained by the City of Glendale to conduct an economic impact analysis of direct impacts relating to the spring training operations of these two teams.

On June 26, 2007, Glendale City Council adopted a resolution authorizing the City Manager to enter into multiple agreements relating to the Glendale Spring Training Facility.

On August 14, 2007, the City Council approved a professional services agreement with Stanley Consultants, Inc. for the design of the off-site infrastructure including water and sewer, for the Glendale Spring Training Facility site.

On October 9, 2007, Glendale City Council authorized the City Manager to enter into the Construction Manager at Risk contract with M.A. Mortenson Company relating to the construction of the Glendale Spring Training Facility.

On November 19, 2007 the Governor, Glendale City Council, Phoenix City Council, Chicago White Sox, Los Angeles Dodgers, Rightpath Limited, and the Arizona Sports & Tourism Authority participated in a groundbreaking ceremony commemorating the commencement of construction on this multi-jurisdictional collaborative project.

On September 23, 2008, Glendale City Council approved an ordinance authorizing the sale of up to \$200 million of Western Loop 101 Public Facilities Corporation (PFC) excise tax revenue bonds to provide interim financing of the Glendale Spring Training Facility pending receipt of Arizona Sports and Tourism Authority (AZSTA) funds and revenue from the planned development.

On October 30, 2012, the City Council provided direction to staff to move forward with MPC and PFC debt refinancing.

On November 13, 2012, the City Council adopted an ordinance authorizing the City Manager to refinance a portion of the debt related to the Western Loop 101 Public Facilities Corporation (PFC) in an amount not to exceed \$203 million.

On December 12, 2012 the City issued \$200,255,000 in Municipal Property Corporation (MPC) bonds to refund the Camelback Ranch PFC bonds that were issued in 2008 to a lower interest rate, \$16,850,000 in taxable bonds and \$183,405,000 in tax-exempt bonds. The taxable bonds totaling \$16,850,000 cannot be redeemed prior to their maturity date. Tax exempt bonds maturing on or before July 1, 2032 (\$75,160,000 in total) can be redeemed on January 1, 2018 or any date thereafter. Tax exempt bonds maturing on July 1, 2038 (totaling \$21,555,000) can be redeemed on or after January 1, 2023. This refunding transaction was a component of a larger debt restructure that included refinancing other MPC bonds. Overall, the city realized a future cash flow savings of approximately \$50.6 million for this transaction.²³

Appendix B - Revenues, Expenses, and Debt Service FY2008-14

Prepared by Financial Services

CamelbackRanch Event Operations								
City Revenues and Expenses and debt service for fy 2008 to 2013 with 2014 budget								
Note - baseball start 3/1/2009								
Category	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	Cummulative Total	Budget Fy 2014
Revenues								
Phoenix IGA	0.00			1,661.28	140,375.05	58,549.27	200,585.60	102,000.00
Facilities Rental	0.00		4.00	2.00	1.00	1.00	8.00	1.00
Effluent revenue	0.00	53,395.00	74,588.00	70,035.00	71,748.00	74,972.00	344,738.00	72,252.00
CamelbackK Ranch-Fire	0.00		28,674.00	36,118.80	39,839.42	53,600.63	158,232.85	28,852.00
	0.00	53,395.00	103,266.00	107,817.08	251,963.47	187,122.90	703,564.45	203,105.00
(Expenses)								
Fire Department	0.00		(34,604.35)	(44,892.01)	(33,292.09)	(53,471.91)	(166,260.36)	(28,852.00)
Police Department	0.00	(8,856.00)	(8,802.00)	(8,916.00)	(8,916.00)	(8,916.00)	(44,406.00)	(28,842.00)
Transportation Department	0.00	(94,822.00)	(25,490.00)	(26,057.00)	(23,394.00)	(25,240.59)	(195,003.59)	(25,500.00)
Engineering Department capital	0.00				(60,205.40)	(91,981.46)	(152,186.86)	(479,048.00)
Public Facility Corporation other	0.00		(51,558.41)	(35,033.76)	(9,249.99)	-	(95,842.16)	0.00
Public Facility Corporation capital	0.00		(3,766.74)	(55,000.00)	(55,325.15)	-	(114,091.89)	0.00
	0.00	(103,678.00)	(124,221.50)	(169,898.77)	(190,382.63)	(179,609.96)	(767,790.86)	(562,242.00)
Net increase/(decrease)	0.00	(50,283.00)	(20,955.50)	(62,081.69)	61,580.84	7,512.94	(64,226.41)	(359,137.00)
Debt Service								
Municipal Property Corp. Bonds								
Principal Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(2,080,000.00)
Interest Exepnse	0.00	0.00	0.00	0.00	0.00	(4,616,338.00)	(4,616,338.00)	(9,031,967.00)
Public Facility Bonds								
Miscellaneous	0.00	(141,082.00)	0.00	0.00	0.00	0.00	(141,082.00)	0.00
Principal Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Interest Exepnse	0.00	(8,709,915.83)	(13,010,662.50)	(13,010,671.50)	(13,010,662.50)	(13,010,662.50)	(60,752,574.83)	0.00
	0.00	(8,850,997.83)	(13,010,662.50)	(13,010,671.50)	(13,010,662.50)	(17,627,000.50)	(65,509,994.83)	(11,111,967.00)
Note, City does not have revenues and cost split between spring training and non spring training.								
Note - PFC interest expense was funded by capitalized interest, revenue stabilization and remaining construction funds from the original pfc bond issue.								
Note - fy 2013 MPC interest expense was paid from City excise tax revenues.								
Note - fy 2013 debt service \$2,800,662.50 was funded with refunding proceeds from the 12/2012 mpc bond series 2012 C and D.								

Appendix C – Debt Service Amortization Schedule

City of Glendale, Arizona
Municipal Property Corporation
Subordinate Lien Excise Tax Revenue Refunding Bonds, Series 2012C
Debt Service Schedule

Date	Principal	Rate	Interest	Semi-Annual Debt Service	Annual Debt Service	
12/27/2012						
07/01/2013			\$4,431,461.11	\$4,431,461.11	\$4,431,461.11	
01/01/2014			4,335,125.00	4,335,125.00		
07/01/2014			4,335,125.00	4,335,125.00	8,670,250.00	
01/01/2015			4,335,125.00	4,335,125.00		
07/01/2015			4,335,125.00	4,335,125.00	8,670,250.00	
01/01/2016			4,335,125.00	4,335,125.00		
07/01/2016			4,335,125.00	4,335,125.00	8,670,250.00	
01/01/2017			4,335,125.00	4,335,125.00		
07/01/2017			4,335,125.00	4,335,125.00	8,670,250.00	
01/01/2018			4,335,125.00	4,335,125.00		
07/01/2018			4,335,125.00	4,335,125.00	8,670,250.00	
01/01/2019			4,335,125.00	4,335,125.00		
07/01/2019			4,335,125.00	4,335,125.00	8,670,250.00	
01/01/2020			4,335,125.00	4,335,125.00		
07/01/2020			4,335,125.00	4,335,125.00	8,670,250.00	
01/01/2021			4,335,125.00	4,335,125.00		
07/01/2021	\$3,960,000	5.000%	4,335,125.00	8,295,125.00	12,630,250.00	
01/01/2022			4,236,125.00	4,236,125.00		
07/01/2022	4,470,000	5.000%	4,236,125.00	8,706,125.00	12,942,250.00	
01/01/2023			4,124,375.00	4,124,375.00		
07/01/2023	4,635,000	5.000%	4,124,375.00	8,759,375.00	12,883,750.00	
01/01/2024			4,008,500.00	4,008,500.00		
07/01/2024	4,220,000	5.000%	4,008,500.00	8,228,500.00	12,237,000.00	
01/01/2025			3,903,000.00	3,903,000.00		
07/01/2025	4,380,000	5.000%	3,903,000.00	8,283,000.00	12,186,000.00	
01/01/2026			3,793,500.00	3,793,500.00		
07/01/2026	4,540,000	5.000%	3,793,500.00	8,333,500.00	12,127,000.00	Est. date for AZSTA pmts
01/01/2027			3,680,000.00	3,680,000.00		
07/01/2027	7,360,000	5.000%	3,680,000.00	11,040,000.00	14,720,000.00	
01/01/2028			3,496,000.00	3,496,000.00		
07/01/2028	7,670,000	5.000%	3,496,000.00	11,166,000.00	14,662,000.00	
01/01/2029			3,304,250.00	3,304,250.00		
07/01/2029	7,955,000	5.000%	3,304,250.00	11,259,250.00	14,563,500.00	Teams can leave in 2028
01/01/2030			3,105,375.00	3,105,375.00		
07/01/2030	8,295,000	5.000%	3,105,375.00	11,400,375.00	14,505,750.00	
01/01/2031			2,898,000.00	2,898,000.00		
07/01/2031	8,650,000	***	2,898,000.00	11,548,000.00	14,446,000.00	
01/01/2032			2,681,750.00	2,681,750.00		
07/01/2032	9,025,000	***	2,681,750.00	11,706,750.00	14,388,500.00	AZSTA sunsets 2031
01/01/2033			2,456,125.00	2,456,125.00		
07/01/2033	9,425,000	***	2,456,125.00	11,881,125.00	14,337,250.00	
01/01/2034			2,241,300.00	2,241,300.00		
07/01/2034	18,050,000	***	2,241,300.00	20,291,300.00	22,532,600.00	
01/01/2035			1,831,525.00	1,831,525.00		
07/01/2035	18,870,000	***	1,831,525.00	20,701,525.00	22,533,050.00	
01/01/2036			1,403,325.00	1,403,325.00		
07/01/2036	19,725,000	***	1,403,325.00	21,128,325.00	22,531,650.00	
01/01/2037			955,925.00	955,925.00		
07/01/2037	20,620,000	***	955,925.00	21,575,925.00	22,531,850.00	
01/01/2038			488,450.00	488,450.00		
07/01/2038	21,555,000	***	488,450.00	22,043,450.00	22,531,900.00	
	\$183,405,000		\$171,008,511.11	\$354,413,511.11	\$354,413,511.11	

Appendix C - continued

*** FINAL ***

City of Glendale, Arizona
Municipal Property Corporation
Subordinate Lien Excise Tax Revenue Refunding Bonds, Series 2012D (TAXABLE)
Debt Service Schedule

Date	Principal	Rate	Interest	Semi-Annual Debt Service	Annual Debt Service
12/27/2012					
07/01/2013			\$184,877.83	\$184,877.83	\$184,877.83
01/01/2014			180,858.75	180,858.75	
07/01/2014	\$2,080,000	1.300%	180,858.75	2,260,858.75	2,441,717.50
01/01/2015			167,338.75	167,338.75	
07/01/2015	3,920,000	1.500%	167,338.75	4,087,338.75	4,254,677.50
01/01/2016			137,938.75	137,938.75	
07/01/2016	4,365,000	1.900%	137,938.75	4,502,938.75	4,640,877.50
01/01/2017			96,471.25	96,471.25	
07/01/2017			96,471.25	96,471.25	192,942.50
01/01/2018			96,471.25	96,471.25	
07/01/2018			96,471.25	96,471.25	192,942.50
01/01/2019			96,471.25	96,471.25	
07/01/2019	2,045,000	2.650%	96,471.25	2,141,471.25	2,237,942.50
01/01/2020			69,375.00	69,375.00	
07/01/2020	4,440,000	3.125%	69,375.00	4,509,375.00	4,578,750.00
01/01/2021			0.00	0.00	
07/01/2021			0.00	0.00	0.00
01/01/2022			0.00	0.00	
07/01/2022			0.00	0.00	0.00
01/01/2023			0.00	0.00	
07/01/2023			0.00	0.00	0.00
01/01/2024			0.00	0.00	
07/01/2024			0.00	0.00	0.00
01/01/2025			0.00	0.00	
07/01/2025			0.00	0.00	0.00
01/01/2026			0.00	0.00	
07/01/2026			0.00	0.00	0.00
01/01/2027			0.00	0.00	
07/01/2027			0.00	0.00	0.00
01/01/2028			0.00	0.00	
07/01/2028			0.00	0.00	0.00
01/01/2029			0.00	0.00	
07/01/2029			0.00	0.00	0.00
01/01/2030			0.00	0.00	
07/01/2030			0.00	0.00	0.00
01/01/2031			0.00	0.00	
07/01/2031			0.00	0.00	0.00
01/01/2032			0.00	0.00	
07/01/2032			0.00	0.00	0.00
01/01/2033			0.00	0.00	
07/01/2033			0.00	0.00	0.00
01/01/2034			0.00	0.00	
07/01/2034			0.00	0.00	0.00
01/01/2035			0.00	0.00	
07/01/2035			0.00	0.00	0.00
01/01/2036			0.00	0.00	
07/01/2036			0.00	0.00	0.00
01/01/2037			0.00	0.00	
07/01/2037			0.00	0.00	0.00
01/01/2038			0.00	0.00	
07/01/2038			0.00	0.00	0.00
	\$16,850,000		\$1,874,727.83	\$18,724,727.83	\$18,724,727.83

End Note References

- ¹ Economic Research Associates Report, March 17, 2006, page 3
- ² Level 5 Engineering, Project Scope Cost Estimate, August 21, 2007, page 3
- ³ Glendale contract C7263 IGA Between Glendale and AZSTA, page 2
- ⁴ Appendix B is City of Glendale Camelback Ranch Event Operations data provided by Financial Services.
- ⁵ Glendale contract C6125 Lease and Development Agreement Between Glendale and Rightpath Limited
- ⁶ Glendale contract C7263 IGA Between Glendale and AZSTA, pages 16-17
- ⁷ Glendale contract C6368 Facility Use Agreement, page 6
- ⁸ Glendale contract C6368 Facility Use Agreement, page 6
- ⁹ Glendale contract C6368 Facility Use Agreement, pages 9-10
- ¹⁰ Glendale contract C6368 Facility Use Agreement, pages 15-16
- ¹¹ Glendale contract C6368 Facility Use Agreement, page 7
- ¹² Glendale contract C6368 Facility Use Agreement, page 2-
- ¹³ Glendale contract C7263 IGA Between Glendale and AZSTA, pages 2, 4, 7
- ¹⁴ Glendale contract C7263 IGA Between Glendale and AZSTA, page 2
- ¹⁵ AZSTA + Glendale Management Team Meeting, December 9, 2013
- ¹⁶ Glendale FY2013 Comprehensive Annual Financial Report, page 53,
<http://www.glendaleaz.com/finance/documents/June302013CAFR.pdf>
- ¹⁷ Glendale contract C7263 IGA Between Glendale and AZSTA, page 5
- ¹⁸ Glendale contract C7263 IGA Between Glendale and AZSTA, pages 3
- ¹⁹ Engineering Department Summary
- ²⁰ Glendale FY2009 Comprehensive Annual Financial Report, page 61,
<http://www.glendaleaz.com/finance/documents/June302009CAFR.pdf>
- ²¹ Appendix B is City of Glendale Camelback Ranch Event Operations data provided by Financial Services.
- ²² General Fund Five-Year Financial Forecast Schedule of Transfers Out, December 17, 2013, City Council Workshop, <http://www.glendaleaz.com/Clerk/agendasandminutes/Workshops/Agendas/121713-W07.pdf>
- ²³ Glendale FY2013 Comprehensive Annual Financial Report, page 70,
<http://www.glendaleaz.com/finance/documents/June302013CAFR.pdf>