

City of Glendale

Renaissance Sports & Entertainment
Proposal & GF Impacts

June 25, 2013

April 16 GF Balancing Projections

General Fund: Five-Year Forecast

Draft Balancing Projections (with Add'l Reductions)

(\$'s in Millions)

	Draft				.7 ST Sunset
	FY14	FY15	FY16	FY17	FY18
Beginning Balance:	\$11.4	\$8.0	\$8.0	\$12.5	\$20.3
Revenue	161.5	165.5	171.6	178.1	162.3
Expenditures	(132.0)	(128.4)	(128.9)	(128.9)	(132.7)
COS Exp Cuts:	3.5	4.8			9.5
Inflationary Adj (3%)		(3.8)		(3.8)	
Transfers Out *	(30.3)	(32.1)	(32.3)	(31.6)	(33.1)
Arena Mgt Fee	(6.0)	(6.0)	(6.0)	(6.0)	(6.0)
Ending Balance:	\$8.0	\$8.0	\$12.5	\$20.3	\$20.3
Contingency % (Goal = 10%)	5%	5%	7%	11%	12%

* MPC Debt Svc, NHL Loan Repayments, Arena/Stadium/CR Ops, Civic Ctr, Airport, Special Events, etc.

Arena Related Components Included in FY14 Budget:

- Arena revenue offsets debt service and conservatively assumed no hockey tenant/games
 - \$350K ticket surcharges for non-hockey events
 - \$3.7M city sales tax (Arena, Westgate & Tanger)
 - Total revenues: \$4.1M
- \$6M management fee, \$500K capital repairs, and \$8.4M debt service
 - Total expenditures: \$14.9M

RSE Components Not In FY14 Budget

- Net additional expense: \$2.3M
 - Additional management fee expenses: \$9.0M
 - Additional revenues: \$6.7M
 - Hockey game surcharges \$1,553,490
 - Non-hockey surcharges \$1,375,000
 - Team rent \$500,000
 - Parking revenues \$2,148,250
 - Arena naming rights (20%) \$671,600
 - Hockey game sales taxes \$426,743

GF Balancing Projections w/ RSE

General Fund: Five-Year Forecast w/ RSE

(\$'s in Millions)

.7 ST Sunset

	FY14	FY15	FY16	FY17	FY18
Beginning Balance:	\$11.5	\$5.7	\$3.4	\$5.5	\$11.0
Revenue	161.5	165.5	171.6	178.1	162.3
Add'l RSE Revenue	6.7	6.7	6.7	6.7	6.7
Expenditures	(131.9)	(128.2)	(128.7)	(128.7)	(132.5)
COS Exp Cuts:	3.5	4.8			9.5
Inflationary Adj (3%)		(3.8)		(3.8)	
Transfers Out *	(30.5)	(32.3)	(32.5)	(31.8)	(33.3)
Arena Mgt Fee	(15.0)	(15.0)	(15.0)	(15.0)	(15.0)
Ending Balance:	\$5.7	\$3.4	\$5.5	\$11.0	\$8.6
Contingency % (Goal = 10%)	4%	2%	3%	6%	5%

* MPC Debt Svc, NHL Loan Repayments, Arena/Stadium/CR Ops, Civic Ctr, Airport, Special Events, etc.

Revenue Projections Provided by RSE

	Year 1	Year 5	Year 15
1. Ticket Surcharges:			
Hockey	\$1,553,490	\$7,767,450	\$23,302,350
Non-Hockey	\$1,725,000	\$8,625,000	\$25,875,000
2. Parking Revenues			
Hockey	\$500,000	\$2,500,000	\$9,450,000
Non-Hockey	\$820,000	\$4,100,000	\$12,300,000
3. Arena Rent	\$1,423,125	\$7,115,625	\$21,346,875
4. Special Surcharge	\$671,600	\$3,358,000	\$10,074,000
5. Sales Taxes	\$636,930	\$3,184,650	\$9,553,950
6. Naming Rights	\$7,330,145	\$36,650,725	\$111,902,175

Expenses to the City in the Agreement

- Management Fees
- Capital Repair Expenses

\$15M	\$75M	\$225M
<u>\$.5M</u>	<u>\$2.5M</u>	<u>\$12.5M</u>
\$15.5M	\$77.5M	\$237.5M