

Camelback Ranch

Council Item of Special Interest Report

Presented By:

Michael D. Bailey, City Attorney

Brian Friedman, Community & Economic Development Executive Director

Jean Moreno, Innovate Administrator

City Council Workshop

February 18, 2014



Presentation Overview

- Project Partners
- Phoenix Land & Contingencies
- 5-Year Forecast
- Construction Costs
- Funding/Debt Service

Project Partners

- City of Glendale
- Arizona Sports & Tourism Authority
- City of Phoenix
- Chicago Cubs
- Los Angeles Dodgers
- Rightpath Limited

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 2026
- Current value of receivable as of July 2013 = \$74 million
 - \$60M principal balance + \$14M interest

Received to Date: \$0.00

City of Phoenix

- Tax Pledge: 80% of General Fund TPT
- Capped at \$37 million
- 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

Received to Date: \$200,585.60 (Tax Pledge)

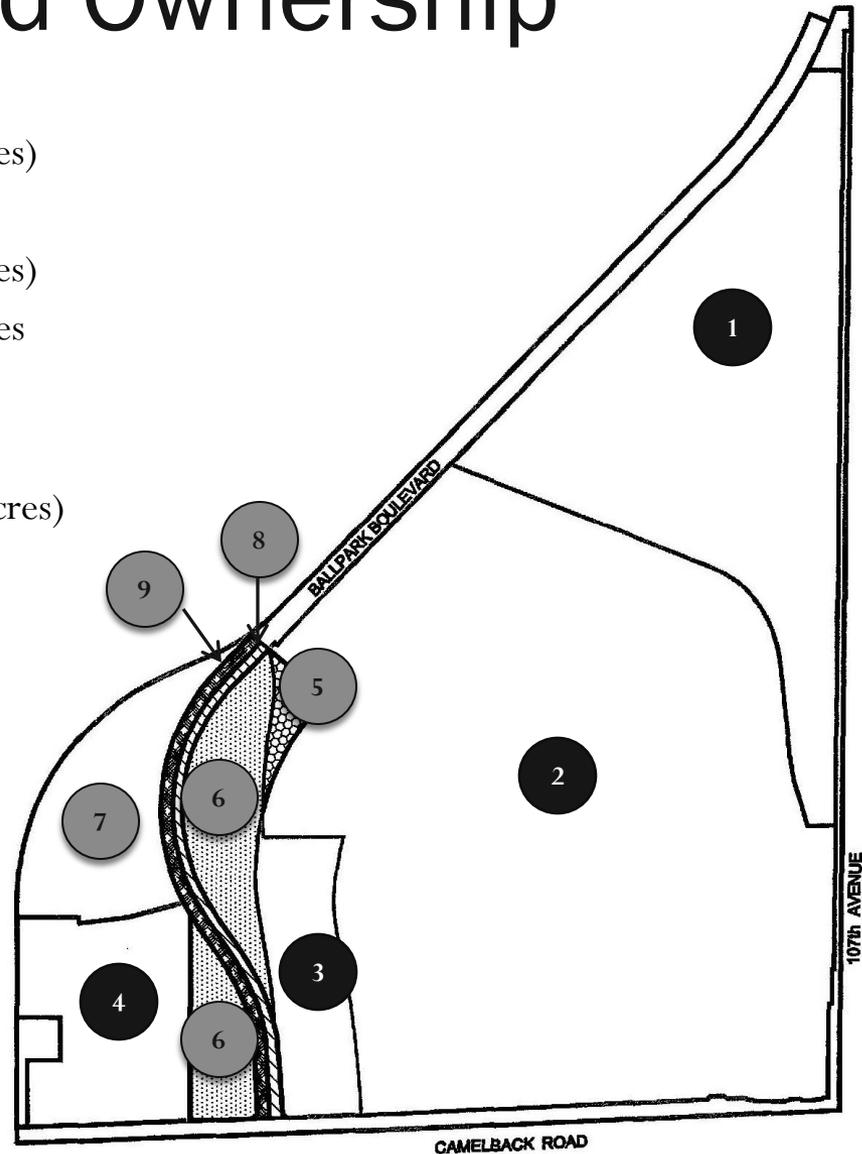
2006 Land Ownership

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)

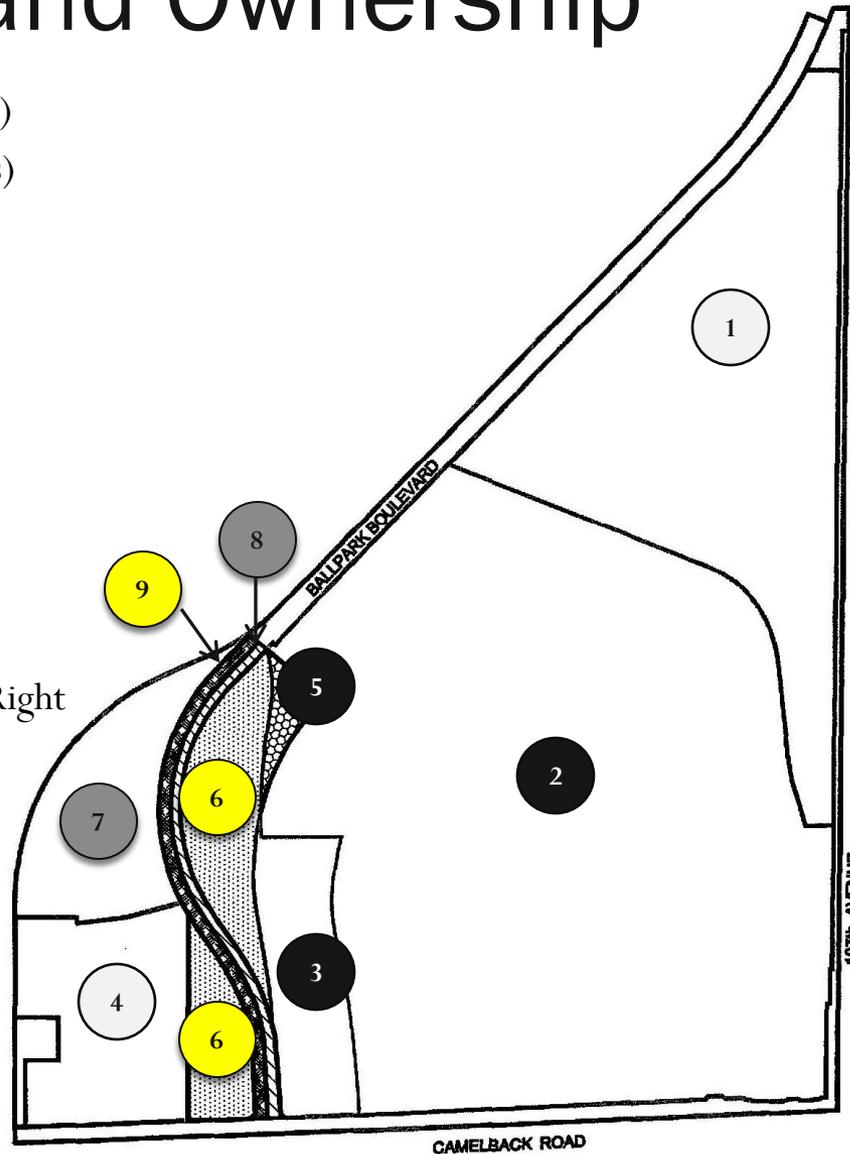
Phoenix Owned Parcels

5. Parking Purchase (1.38 acres)
6. Contingent Purchase (14.25 acres)
7. Park Acreage (14.61 acres)
8. Eastern Right of Way
9. Western Right of Way



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)



Baseball Teams

- Salient Terms
 - 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)

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

Rightpath Limited Contribution

- Salient Terms
 - 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

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

Construction 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
TOTAL	\$ 121,450,602	\$ 31,142,183	\$ 152,592,785

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	\$ 10,935,779

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
Total City Financed Project Costs	141,657,006
Financed interest costs	57,452,912
Bond issuance and other costs	640,082
Public Facility Corporation Principal	199,750,000
Public Facility Corporation Principal	199,750,000
Bond premium net of issuance costs	(10,144,000)
Financed interest	10,649,000
MPC outstanding debt	200,255,000



MPC Debt Service Payments

MPC Debt Service of Camelback Ranch			
Fiscal Year	Principal	Interest	Total
2013	-	4,616,338	4,616,338
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
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
	200,255,000	172,883,238	373,138,238

Projected Funding Sources

Description	Projected Through 2038
Total Debt Service Through 2038	(373,138,238)
Funding Sources:	
AZSTA Payments Through 2038*	70,000,000
Phoenix IGA **	1,820,000
Developer Revenue Sharing	-
Total Funding Sources Through 2038	71,820,000
Total Debt Service less Total Funding Sources	(301,318,238)

* Assumes \$8 million per year beginning in 2025 through 2031 and \$2 million per year from 2032 through 2038. Estimated remaining outstanding balance at 6/30/2038 is approximately \$103 million.

** Assumes the current amounts received for the past three years of \$65,000/year from 2011 through 2038 (28 years)

Conclusion

- Executive Session noticed for Legal Advice
- Questions

Camelback Ranch

Council Item of Special Interest Report

Presented By:

Michael D. Bailey, City Attorney

Brian Friedman, Community & Economic Development Executive Director

Jean Moreno, Innovate Administrator

City Council Workshop

February 18, 2014

