



Board of Supervisors Memorandum

April 1, 2008

AGENDA MATERIAL

DATE 4-1-08 ITEM NO. RA-13

Establishment of a Pima County Sports and Tourism Authority

Report

Previously the Board set for public hearing, establishment of a Pima County Sports and Tourism Authority. The resolution creating the Authority has been appropriately advertised as required by statute and is now before the Board for final adoption. In addition, I am enclosing a memorandum directed to the Chair and Members from the President/CEO of the Metropolitan Chamber of Commerce regarding the work efforts of many in the business and tourism industry to reconstitute the Sports Authority and develop a strategy to retain Major League Baseball spring training in Tucson and Pima County. The Authority's primary goal will be to formalize a funding mechanism and legislative package for consideration by the Arizona Legislature that creates a Sports and Tourism Authority in Pima County to compete with the similar entity in Maricopa County that has been responsible for attracting the Chicago White Sox and Los Angeles Dodgers to Glendale and Maricopa County, as well as Kansas City Royals and Texas Rangers in Surprise, and the Cleveland Indians in Goodyear.

Pima County has also been in a non-competitive position regarding attracting the Cincinnati Reds from Sarasota, Florida. It is likely that the Cincinnati Reds will relocate to Goodyear sometime in 2010 to share a proposed two-team spring training facility with the Cleveland Indians, which are scheduled to play beginning as early as 2009. It is unclear how the additional facilities are being financed. However, the actual new stadium and currently planned, one-team training facility, is scheduled to cost an estimated \$75 million with one-half of the stadium funding coming from the Arizona Sports and Tourism Authority (AZSTA). The new training facilities for the Cincinnati Reds will cost an additional \$33 million.

Last week the Reds and City of Goodyear asked the Arizona Sports Authority to change the stadium complex funding formula from one-half to two-thirds of the overall project, which is the maximum contribution allowed by Arizona law. The Sports Authority indicated that all projected AZSTA funding is committed through 2031 and no new uncommitted funds are available under the current funding mechanism authorized by the Legislature and subsequent public vote. New funding may be available beginning in 2032 according to the Arizona Sports Authority, however the current funding streams sunset at the end of 2031, so there is uncertainty if the funding would exist after this time.

The Reds have indicated they will come to Goodyear if the funding becomes available with a positive majority vote from the Goodyear City Council on April 7. On March 25, a draft resolution from the Arizona Sports Authority (see attached), with support by the standing Cactus League committee, began to be circulated to key tourism partners for comments and

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subsequent vote by the full authority prior to April 7. This resolution states that when and if additional funds become available the Authority commits to change the Goodyear funding formula from the contracted one-half to two-thirds, including financing charges and the additional money needed to complete a two-team stadium. The resolution also commits to increase reimbursement for stadium land costs in Glendale from one-half to two-thirds and to pay half of renovation project costs for stadiums whose leases expire in 2025 and 2029.

It is likely that this explicit, although unfunded commitment from the Arizona Sports and Tourism Authority will convince the Goodyear Mayor and Council to approve the proposed expansion of the stadium to the two-team facility needed to bring the Cincinnati Reds to Goodyear.

These events demonstrate the length to which the interests in Maricopa County are willing to go to support spring training activities. Clearly a Sports and Tourism Authority is needed in Pima County to help finance the development and expansion of sports facilities and activities in this community. This can and should include the expansion of not only professional but also youth and adult facilities and activities.

Recommendation

It is recommended the Board of Supervisors:

1. Pass and adopt Resolution Number 2008-61, creating the Pima County Sports and Tourism Authority, and
2. Appoint the members of the Authority recommended by the President/CEO of the Tucson Metropolitan Chamber of Commerce.

Respectfully submitted,



C.H. Huckelberry
County Administrator

CHH/jj

Attachments

- c: Hank Atha, Deputy County Administrator for Community and Economic Development
Tom Moulton, Economic Development and Tourism Director



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MEMORANDUM

TO: The Honorable Chairman and Pima County Board of Supervisors

FROM: John C. Camper, CCE, President/CEO 

DATE: March 25, 2008

SUBJECT: Interim Pima County Sports and Tourism Authority Board of Directors

The subject of the Pima County Sports and Tourism Authority is on your agenda for final approval April 1. I would respectfully request that you and the other members of the Pima County Board of Supervisors recognize the tremendous amount of behind the scenes work that has been performed over the last two months to retain and expand spring training baseball in Tucson. The recommended members of the Board of Directors for the Interim Sports and Tourism authority are all well versed on the issue of spring training baseball. They are diligently working to craft legislation to develop a permanent Sports and Tourism Authority with a funding source for use in upgrading and building sports facilities for not only spring training baseball but for youth and amateur sporting venues as well that will have long term impact and benefits for our region.

As I mentioned, the Pima County Sports and Tourism Authority is an interim group tasked to put together the legislation and funding stream for a permanent authority. The interim board, once the legislation is passed, will no longer exist and a new authority will be convened.

Please give every consideration to approving this interim board of directors as attached so that it may finish its task in a timely manner.

**PIMA COUNTY SPORTS AND TOURISM AUTHORITY
RECOMMENDED BOARD OF SUPERVISORS**

Name	Affiliation	TERM
Jim Arnold	Media	2
Tom Tracy	Lodging Industry	4
Jack Camper	Chamber of Commerce	4
Edgar Soto	Pima Community College - Collegiate Athletics	2
Mike Feder	Professional Baseball	4
Rocky LaRose	UA - Collegiate Athletics	2
Kendall Bert	Regional Economic Development	2
Rick Vaughan	Tourism Industry	4
David Sitton	Youth Sports	4
Carlotta Flores	Restaurants	2
Dr. Sheila Baize	High School Athletics	2
David J. Cohen	Private Sector - CPA, Finance/Accounting	4
Linda McNulty	Private Sector - Attorney	4
George Favela	Private Sector - Communication Industry	2
Justin Lanne	Youth and Amateur Sports	2

RESOLUTION NO. 2008-____
Arizona Tourism and Sports Authority
Resolution Approving Funding Commitments Related to Present and Future Cactus League Projects

I. RECITALS

WHEREAS, pursuant to Arizona Revised Statutes (“A.R.S.”) Section 5-808, from monies deposited into the Cactus League Promotion Account (the “Authority’s Cactus League Funds”), the board of directors (the “Board”) of the Arizona Tourism and Sports Authority (the “Authority”) is authorized to acquire land or construct, finance, furnish, improve, market and promote the use of existing or proposed Major League Baseball spring training facilities (each a “Cactus League Facility”) located in Maricopa County and other structures, utilities, roads, parking areas or buildings necessary for the full use of the training facilities for sports and other purposes and to do all things necessary or convenient to accomplish those purposes (collectively “Cactus League Purposes”); and

WHEREAS, the Board supports the continued expansion and maintenance of Cactus League Facilities located in Maricopa County; and

WHEREAS, the Authority entered into that certain Intergovernmental Agreement dated December 5, 2003 (the “MCS D IGA”) with the Maricopa County Stadium District (“MCS D”), pursuant to which the Authority is entitled to receive from MCS D the District Car Rental Surcharge (as defined in the MCS D IGA) to use for Cactus League Facilities in Maricopa County (the “MCS D Funds”); and

WHEREAS, pursuant to A.R.S. § 5-808, the Authority must consider the costs of anticipated required renovations of existing Cactus League Facilities and Cactus League Facilities currently under construction in the Cities of Glendale and Goodyear when granting additional sums of the Authority’s Cactus League Funds for new Cactus League Facilities (“Renovation Projects”); and

WHEREAS, the City of Goodyear (“Goodyear”) and the Authority entered into an Intergovernmental Agreement on January 17, 2007 (the “Goodyear IGA”) related to the Authority’s financing of the construction of a new Cactus League Facility (the “Indians Facility and the Ballpark”) for the Cleveland Indians (the “Indians”); and

WHEREAS, the City of Glendale (“Glendale”) and the Authority entered into an Intergovernmental Agreement on August 15, 2007 (the “Glendale IGA”) related to the Authority’s financing of the construction of a new Cactus League Facility (the “Dodgers/White Sox Facility and the Ballpark”) for the Los Angeles Dodgers and Chicago White Sox (the “Teams”); and

WHEREAS, Goodyear is desirous of financing and constructing additional Cactus League practice facilities (the “Practice Facility”) for the Cincinnati Reds (the “Reds”) at an estimated cost of \$33 million, which Practice Facility will be part of and contiguous with the Goodyear’s current construction for the Indians; and

WHEREAS, Goodyear is requesting a funding commitment from the Authority for any funds received by the Authority after all existing prior commitments, to be used for Cactus League Purposes, such as Authority's Cactus League Funds and the MCSD Funds received by the Authority under the MCSD IGA (collectively, "Cactus League Funds"), to assist with the financing of the Practice Facility for the Cincinnati Reds, with the understanding that the requested funds will become available for this commitment after the full repayment of the Authority's existing prior commitments for Cactus League Facility and Renovation Projects (according to Exhibit A, repayment of prior commitments is achieved in 2031, so new monies for this purpose are projected to be first available in 2032); and

WHEREAS, Glendale is requesting a funding commitment from the Authority for any funds received by the Authority after all existing prior commitments, to be used for Cactus League Purposes, such as Authority's Cactus League Funds and the MCSD Funds received by the Authority under the MCSD IGA (collectively, "Cactus League Funds"), to assist with the financing at a maximum of two-thirds of that portion of the land for the Dodgers/White Sox Facility and the Ballpark Practice Facility at its original acquisition value by Glendale (the "Land Costs"), with the understanding that the requested funds, if any, are projected to be available for this commitment no earlier than during fiscal year 2032 or following the full repayment of the Authority's existing prior commitments for Cactus League Facility and Renovation Projects; and

WHEREAS, Goodyear and Glendale (the "Cities") understand and acknowledge that most of the Authority's Cactus League Funds currently expire in 2031 and that future amendments or other changes in law affecting the imposition, collection or use of the District Car Rental Surcharge are legislative matters solely within the discretion of the Arizona Legislature and not within the control of the MCSD or the Authority; and

WHEREAS, based on the recommendation of the Board's Cactus League and Finance Committees (collectively, the "Committees"), the Authority is willing to commit to the Cities that upon receipt of the Cactus League Funds, as generally described on Exhibit A, the Authority will reimburse, in order of priority, (1) Glendale for up to two-thirds of a maximum amount of approved Land Costs not to exceed \$2.5 million for a total maximum Authority commitment not to exceed \$1.7 million plus financing costs as further defined in the Glendale IGA (the "Glendale Supplemental Funding Commitment"), and (2) on an equal 50:50 basis the sum of the approved costs of the Renovation Projects for those cities whose teams' leases expire in 2025 (the cities of Tempe and Scottsdale) and in 2029 (Glendale and Goodyear) and to Goodyear for up to two-thirds of a maximum amount of approved Practice Facility project costs for the Cincinnati Reds not to exceed \$30 million for a total maximum Authority commitment not to exceed \$20 million plus financing costs as further defined in the existing Goodyear IGA (the "Goodyear Cincinnati Reds Funding Commitment"); and

WHEREAS, if existing Authority Cactus League Funds are augmented either through the extension of Cactus League Funds by legislative action beyond February 2031 or a new statutory funding source is identified above and beyond existing Authority Cactus League Funds (the "New Cactus League Funds"), the Authority will make the New Cactus League Funds available, after all prior funding commitments have been fully met, on an equal 50:50 basis to (1) Goodyear by an amount which increases the amount paid for the Indians Facility and the Ballpark to two-thirds of the maximum amount of approved project costs and expenses plus

financing costs as further defined in the Goodyear IGA and (2) for any cities whose teams' leases expire after 2031 for Renovation Projects; and

WHEREAS, once the Goodyear Cincinnati Reds Funding Commitment under the New Cactus League Funds are fully repaid that 50% portion of the New Cactus League Funds will be reserved in support of funding new Cactus League facility projects for new teams; and

WHEREAS, pursuant to A.R.S. § 5-808, any Cactus League Facility receiving funding by the Authority must include financial participation from the municipality in which the project is located that equals or exceeds one-half of the amount to be spent or distributed by the Authority; and

WHEREAS, pursuant to A.R.S. § 5-805, the Executive Director of the Authority (the "CEO") is empowered to negotiate, make, execute, acknowledge and perform agreements necessary to accomplish the purposes of the Authority, which agreements are subject to the approval or ratification of the Board.

II. FUNDING COMMITMENT

NOW, THEREFORE, BE IT RESOLVED, that based on the recommendation of the Committees, the Glendale Supplemental Funding Commitment and the Goodyear Cincinnati Reds Funding Commitment be, and there hereby are, adopted and approved;

FURTHER RESOLVED, that the staff of the Authority be, and they hereby are, directed to draft, execute and deliver an Amendment to the Glendale IGA and the Goodyear IGA, each setting forth the obligation of and terms for the Glendale Supplemental Funding Commitment and the Goodyear Cincinnati Reds Funding Commitment, respectively; and

FURTHER RESOLVED, that the Chair of the Board and the CEO (each an "Authorized Officer") be, and they hereby are, authorized and directed to sign and deliver, in the name and on behalf of the Authority, and to cause the Authority to perform its respective obligations under the Amendments to the Glendale IGA and the Goodyear IGA and all other related agreements or amendments contemplated thereby, and to prepare, negotiate, approve and attach any and all exhibits and attachments to the Amendment contemplated therein as any Authorized Officer deems necessary, appropriate or advisable to carry out the purposes and intent of these resolutions, the signing and delivery thereof by such Authorized Officer to be conclusive evidence of the approval of such changes, additions or deletions; and

FURTHER RESOLVED, that the Authorized Officers of the Authority be, and they hereby are, authorized and directed, in the name and on behalf of the Authority, to take all actions necessary, appropriate or advisable to effectuate the foregoing resolutions, including the incurrence of fees and expenses and recording of certain documents and agreements, as in their judgment shall be necessary, appropriate or advisable to carry into effect the purposes and intent of these resolutions and the transactions contemplated by these resolutions; and

III. MISCELLANEOUS MATTERS

FURTHER RESOLVED, that all actions previously taken on behalf of the Authority by any director or officer of the Authority in connection with any of the foregoing matters are hereby ratified, confirmed and approved in all particulars as the acts of the Authority.

Dated: _____, 2008

EXHIBIT A Cactus League Funds



DRAFT VERSION
Internal Purposes Only

CACTUS LEAGUE POST-2032 PROJECTIONS
Effective: March 2008

DRAFT VERSION
Internal Purposes Only

Year	50:50 Allocation of Available Funds - Renovations:Reds Funding									
	FUNDING SOURCE	Priority #1	>Priority #1 Fund Balance	Scottsdale 2025 Renovation (b)	Tampe 2025 Renovation (b)	Glendale 2029 Renovation (b)	Goodyear 2029 Renovation (b)	Goodyear Reds Funding	>Priority #2 Fund Balance	
2032	\$ 11,788,448	\$ 5,221,590	\$ 6,566,856	\$ 656,686	\$ 656,686	\$ 985,028	\$ 985,028	\$ 3,283,428	\$ -	
2033	12,024,216	-	12,024,216	1,202,422	1,202,422	1,803,632	1,803,632	6,012,108	-	
2034	12,284,700	-	12,284,700	1,228,470	1,228,470	1,839,705	1,839,705	6,132,350	-	
2035	12,609,994	-	12,609,994	1,260,999	1,260,999	1,878,499	1,878,499	6,254,997	-	
2036	12,760,193	-	12,760,193	1,276,019	1,276,019	1,914,029	1,914,029	6,380,097	-	
2037	13,015,397	-	13,015,397	1,301,540	1,301,540	1,952,310	1,952,310	6,507,699	-	
2038	13,275,705	-	13,275,705	1,327,571	1,327,571	1,991,356	1,991,356	6,637,853	-	
2039	13,541,219	-	13,541,219	1,354,122	1,354,122	2,031,183	2,031,183	6,770,610	-	
2040	13,812,044	-	13,812,044	1,381,204	1,381,204	2,071,807	2,071,807	6,908,022	-	
2041	14,088,285	-	14,088,285	1,408,828	1,408,828	2,113,243	2,113,243	7,044,142	-	
2042	14,370,050	-	14,370,050	1,437,005	1,437,005	2,155,508	2,155,508	7,185,025	-	
2043	14,657,451	-	14,657,451	1,465,745	1,465,745	2,198,618	2,198,618	7,328,728	-	
2044	14,950,600	-	14,950,600	3,510,188	3,510,188	3,510,188	3,510,188	909,850	0	
2045	15,249,612	-	15,249,612	3,812,403	3,812,403	3,812,403	3,812,403	-	0	
2046	15,554,605	-	15,554,605	2,014,372	2,014,372	2,014,372	2,014,372	-	7,497,115	
2047	15,865,697	-	15,865,697						15,865,697	
2048	16,183,011	-	16,183,011						16,183,011	
2049	16,506,671	-	16,506,671						16,506,671	
2050	16,836,804	-	16,836,804						16,836,804	
2051	17,173,540	-	17,173,540						17,173,540	
2052	17,517,011	-	17,517,011						17,517,011	
2053	17,867,351	-	17,867,351						17,867,351	
2054	18,224,698	-	18,224,698						18,224,698	
2055	18,589,192	-	18,589,192						18,589,192	
2056	18,960,976	-	18,960,976						18,960,976	
2057	19,340,196	-	19,340,196						19,340,196	
2058	19,727,000	-	19,727,000						19,727,000	
2059	20,121,540	-	20,121,540						20,121,540	
2060	20,523,970	-	20,523,970						20,523,970	
2061	20,934,450	-	20,934,450						20,934,450	
Total	\$ 478,234,624	\$ 5,221,590	\$ 473,013,033	\$ 24,625,574	\$ 24,625,574	\$ 32,269,879	\$ 32,269,879	\$ 77,352,905	\$ -	

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