

**CITY OF EL PASO, TEXAS  
REQUEST FOR COUNCIL ACTION (RCA)**

**DEPARTMENT:** City Manager  
**AGENDA DATE:** September 18, 2012  
**CONTACT PERSONS/PHONE:** William F. Studer, Deputy City Manager, 541-4252  
**DISTRICT(S) AFFECTED:** ALL DISTRICTS

**SUBJECT:**

Discussion and action regarding a Resolution that the City Manager be authorized to sign a Non-Relocation Agreement, in substantially the form attached hereto, by and between the City of El Paso and Mountain Star Sports Group, LLC – El Paso Baseball Club Series and Mountain Star Sports Group, LLC containing the Club’s covenant to continuously maintain and operate the ballpark in downtown El Paso as the home field for its triple A minor league baseball team for the term of the Lease Agreement between the parties; setting forth remedies for the City in the event of breach, including but not limited to, equitable remedies such as declaratory or injunctive relief and specific performance, monetary damages and right to purchase the team.

**BACKGROUND / DISCUSSION:**

At the City Council meeting of June 26, 2012, the Council approved resolutions that: (1) authorized the City Manager to sign the Term Sheet with Mountain Star Sports Group which signaled the intent of the City Council to construct the ballpark; move forward to formulate long and short term plans for relocation of City operations from the City Hall site to allow for the construction of the ballpark; proceed with the proposed financing plan; and authorized the negotiation of a contract containing the terms and conditions for the construction and future operations and maintenance of the ballpark; and (2) provided for the planning, acquisition, establishment, development and construction of a sports and community venue project and designating the method of financing the project pursuant to Chapter 334 of the Local Government Code.

**PRIOR COUNCIL ACTION:**

2 Resolutions approved June 26, 2012

**AMOUNT AND SOURCE OF FUNDING:**

N/A

**BOARD / COMMISSION ACTION:**

N/A

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**LEGAL:** (if required) \_\_\_\_\_

**FINANCE:** \_\_\_\_\_

**DEPARTMENT HEAD:** \_\_\_\_\_ 

**APPROVED FOR AGENDA:** \_\_\_\_\_

**CITY MANAGER:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**RESOLUTION**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:**

That the City Manager be authorized to sign a Non-Relocation Agreement, in substantially the form attached hereto, by and between the CITY OF EL PASO ("City") and MOUNTAIN STAR SPORTS GROUP, LLC – EL PASO BASEBALL CLUB SERIES ("Club") and MOUNTAIN STAR SPORTS GROUP, LLC ("Company") containing the Club's covenant to continuously maintain and operate the ballpark in downtown El Paso as the home field for its triple A minor league baseball team for the term of the Lease Agreement between the parties; setting forth remedies for the City in the event of breach, including but not limited to, equitable remedies such as declaratory or injunctive relief and specific performance, monetary damages and right to purchase the team.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2012

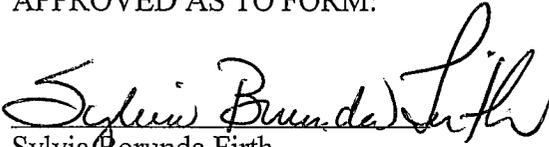
THE CITY OF EL PASO

\_\_\_\_\_  
John F. Cook  
Mayor

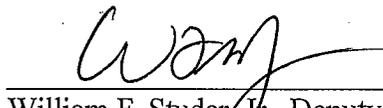
ATTEST:

\_\_\_\_\_  
Richarda Duffy Momsen  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Sylvia Borunda Firth  
City Attorney

APPROVED AS TO CONTENT:

  
\_\_\_\_\_  
William F. Studer, Jr., Deputy City Manager  
Development and Tourism

## NON-RELOCATION AGREEMENT

This Non-Relocation Agreement (this "**Agreement**") is made and entered into as of this \_\_\_\_ day of \_\_\_\_, 2012, by and among the **CITY OF EL PASO, TEXAS**, a Texas home rule city (the "**City**") and **MOUNTAIN STAR SPORTS GROUP, LLC—EL PASO BASEBALL CLUB SERIES** (the "**Club**") and **MOUNTAIN STAR SPORTS GROUP, LLC, A TEXAS LIMITED LIABILITY COMPANY** (the "**Company**").

### Recitals

A. The Club is the owner of a Triple A Minor League Baseball franchise granted by The National Association of Professional Baseball Leagues, Inc. and the corresponding interests in the Pacific Coast League of Professional Baseball Clubs, Inc.

B. Concurrently with the execution of this Agreement, the City and Club plan to enter into (a) that certain Ballpark Development Agreement (the "**Development Agreement**"), whereby City or a local government corporation created by City, has agreed to finance, own, design, develop and construct a new, first class, state-of-the-art, natural turf, open-air Minor League Baseball ballpark in downtown El Paso and as more specifically described in the Development Agreement (the "**Ballpark**"), and (b) that certain Ballpark Lease Agreement (the "**Lease**") whereby the City has agreed to lease to Club and Club has agreed to lease from the City, the Ballpark.

C. As a material inducement to the City to enter into the Development Agreement and the Lease, the Club has agreed to enter into this Agreement to assure that the Club will continuously maintain and operate the Ballpark as home field to the Team (as defined herein) on the terms and conditions set forth herein.

**NOW, THEREFORE**, for valuable consideration and for the mutual covenants and agreements contained herein, the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Definitions and Usage.** Unless the context shall otherwise expressly require, capitalized terms used in this Agreement shall have the meanings assigned to them in this Section. The City, the Club and the Company are sometimes collectively referred to herein as the "**Parties**" and individually as a "**Party**". Terms used but not defined herein have the meanings ascribed to such terms in the Lease.

"**Ballpark**" has the meaning given to that term in the recitals to this Agreement.

"**Ballpark Agreements**" means collectively this Agreement, the Lease and the Development Agreement.

"**Bankruptcy Code**" has the meaning set forth in Section 5.2 hereof.

"**City**" has the meaning given to that term in the introductory paragraph of this Agreement.

"City Purchase Notice" has the meaning set forth in Section 4.1 hereof.

"Club" has the meaning given to that term in the introductory paragraph of this Agreement.

"Commencement Date" means the date of the latest to occur: (i) City's issuance of a certificate of occupancy with respect to the Ballpark or (ii) possession of the Leasehold Estate has been tendered to Tenant by City under the terms of the Lease.

"Company" has the meaning given to that term in the introductory paragraph of this Agreement.

"Development Agreement" has the meaning given to that term in the recitals to this Agreement.

"Evidence of an Attempted Relocation" means reasonably verifiable third party evidence received by the City of the Company's or the Club's violation of the Non-Relocation Covenants, or attempted relocation of the Team in violation of such covenants, which is presented to the Club by the City and not promptly denied in writing by the Club.

"Final Notice" has the meaning set forth in Section 5.5 hereof

"Final Order" has the meaning set forth in Section 5.5 hereof.

"Lease" has the meaning given to that term in the recitals to this Agreement.

"Minor League Baseball" means collectively the PCL, the NAPBL, any successor entities and any other baseball organizations, including Major League Baseball, which govern Team operations, the Club's baseball operations and/or the regulation of minor league franchises.

"NAPBL" means the National Association of Professional Baseball Leagues, Inc. or any successor entities.

"Non-Relocation Covenants" means the covenants of the Club set forth in Section 2 hereof.

"Non-Relocation Default" means any violation of the Non-Relocation Covenants.

"Non-Relocation Term" means the period commencing with the Commencement Date and ending on the termination of this Agreement pursuant to Section 5.5 of this Agreement.

"PCL" means the Pacific Coast League of Professional Baseball Clubs, Inc. or any successor league.

"Team" means all rights, title and interest, including franchise rights, in the Triple A Minor League Professional Baseball franchise granted by the NAPBL and the corresponding interests in the PCL and currently known as of the date hereof as the Tucson Padres baseball club.

**2. Non-Relocation Covenants.** The Club and the Company covenant and agree that throughout the Non-Relocation Term:

(a) the Club and the Team shall maintain their principal place of business in the City ;

(b) the Club shall (i) maintain its Minor League Baseball franchise in the City, (ii) maintain its Minor League Baseball franchise in good standing with Minor League Baseball, (iii) hold, maintain and defend the right of the Team to play baseball as a member of the PCL in the Ballpark as its home stadium and (iv) use reasonable efforts to oppose the adoption of any Minor League Baseball rule or regulation that would cause the Club, the Company or Team to be unable to comply with any of the terms of this Agreement;

(c) the Team shall play all of its regular season, playoff and championship home games at the Ballpark, except as expressly permitted by Section 3 below;

(d) the Club and Company will not (i) cause, nor, to the extent within their respective powers, permit to occur, nor enter into or participate in any negotiations or discussions with, or apply for or seek approval from, any third parties, including Minor League Baseball, with respect to any agreement, legislation or financing that contemplates, or would be reasonably likely to result in, any action that would contravene or result in the contravention of Sections 2(a) through 2(c) hereof or (ii) issue any announcement of its intent to seek such approval or cause such action; and

(e) the Club and the Company shall not enter into any contract or agreement, or make any request or application to Minor League Baseball, to (i) relocate the Club's franchise outside of the City or (ii) play any regular season or playoff home game in any location other than the Ballpark except as expressly permitted by Section 3 below, provided that the Club or the Company may take the actions otherwise prohibited in Sections 2(d) or 2(e) during the last twelve (12) months of the Term of the Lease in connection with any proposed relocation or playing of home games that would not occur until the conclusion of the Term. The Club and the Company shall notify the City promptly after entering into any such contract or agreement, or making any such request or application.

**3. Permitted Exceptions to Home Game Covenant.**

**3.1** Notwithstanding Section 2(c) above, the Team shall be permitted to play what would otherwise be a home game at a location other than the Ballpark, up to three (3) times in any single Baseball Season, as permitted or requested by Minor League Baseball.

**3.2** If the Commencement Date occurs during a Baseball Season after one-half of the Team's regular season games have been played, the covenants in Section 2(c) shall not apply with respect to that season, and the covenants in Section 2(c) shall not become effective until the start of the succeeding Baseball Season.

3.3 Without limiting the generality of any other provision of this Agreement, the covenants of the Club and the Company provided in Section 2(c) shall not apply (i) to any playoff or championship games mandated by the PCL to be played at a neutral site as long as such requirement is generally applicable to all PCL teams; and (ii) if the City Representative consents in writing to any action(s) otherwise prohibited under such section.

#### 4. Right of Purchase.

4.1 If the Club, the Company, any of their respective owners or permitted successors and assigns attempts, directly or indirectly, to, or does, relocate the Team in violation of any provision of this Non-Relocation Agreement, the City shall have the right to purchase, or identify a qualified potential purchaser to purchase, the Team (and all associated Team operations) at fair market value (as determined pursuant to Section 4.2), subject to the approval of Minor League Baseball. Such right must be exercised, if at all, by the City delivering written notice ("City Purchase Notice") to Club within 30 Business Days after the later to occur of (i) Evidence of An Attempted Relocation or (ii) actual relocation in violation of the Non-Relocation Covenants.

4.2 Fair market value shall be determined by an independent valuation expert (retained in accordance with Applicable Law and at the expense of the City and the Club equally) that has substantial experience valuing sports franchises/assets and that is reasonably acceptable to the City and the Club. If the City and the Club cannot mutually agree on a sports valuation expert within 10 Business Days after Club receives the City Purchase Notice, Club and City shall, promptly and at their own respective expense, retain one sports valuation expert each and the two sports valuation experts shall select a third sports valuation expert (whose expense shall be shared equally between Club and City). Each of the three sports evaluation experts will then make their own independent determination of the fair market value of the Team. Each of the sports valuation experts shall be instructed to complete their evaluations within 30 days after the last of such experts being retained. Club, Company and City shall cooperate fully with each of the sports valuation experts and provide them reasonable access to Team books and records as necessary to assist such experts in their evaluations. The purchase price for the Team (and associated Team operations) shall be equal to (i) the fair market value determined by the sports valuation expert if only one is mutually agreed to and retained by the City and the Club or (ii) the average of the fair market values determined by the three sports valuation experts.

4.3 Subject to the provisions of this Section, if the City gives the City Purchase Notice, the Club and/or the Company shall sell the Team (and associated Team operations) either to the City or the qualified potential purchaser, as applicable, at a price equal to the fair market value determined by the independent valuation expert(s). If the City gives the City Purchase Notice, it or the identified, qualified potential purchaser shall proceed promptly and with due diligence to seek all necessary Minor League Baseball or Major League Baseball approvals to purchase the Team and proceed promptly and with due diligence to close such purchase. City acknowledges that time is of the essence with respect to the closing of the purchase of the Team, and City shall use

commercially reasonable efforts to close such purchase within 90 days after fair market value is determined pursuant to Section 4.2 hereof.

## 5. Remedies.

**5.1 Non-Relocation Default.** Upon the occurrence of a Non-Relocation Default, the City shall have the option to pursue any one or more of the remedies set forth in Section 5.2, Section 5.3 or Section 5.4 that may be applicable. Upon the occurrence of any other breach or misrepresentation in this Agreement by the Club or the Company, the City shall have the option to pursue any one or more of the remedies set forth in Section 5.3 or Section 5.4.

**5.2 Declaratory or Injunctive Relief.** Upon the occurrence of a Non-Relocation Default, the City shall be entitled to seek injunctive relief prohibiting or mandating action by the Club or the Company in accordance with, or declaratory relief with respect to, the Non-Relocation Covenants. In addition, the Club and the Company: (a) acknowledge that the Non-Relocation Covenants are an essential part of the bargain and consideration of the Ballpark Agreements and are necessary to protect the business and goodwill of the City; (b) recognize that the Ballpark is being constructed and certain debt is being incurred by the City to permit the Team's home games to be played in the Ballpark during the Non-Relocation Term; (c) recognize that having the Team play its home games in the Ballpark throughout the Non-Relocation Term provides a unique value to the City, including generating new jobs, additional revenue sources and economic development and increased tourism for the City; and (d) acknowledge and agree that any breach by the Club or the Company of the Non-Relocation Covenants shall cause definitive, imminent, irreparable, and continual harm to the City and that damages for a default under such Non-Relocation Covenants cannot be estimated with any degree of certainty and that monetary damages cannot fairly or adequately compensate the City for a breach of such Non-Relocation Covenants. Accordingly, the Club and Company agree that, in the event of any of the actual or threatened breach by the Club or the Company of any one of the Non-Relocation Covenants (i) the City shall be entitled to seek and obtain, a temporary restraining order, together with temporary, preliminary and permanent injunctive or other equitable relief, from any court of competent jurisdiction, to restrain or enjoin any actual or threatened breach by the Club or the Company of any Non-Relocation Covenant without the necessity of posting a bond or other security and without any further showing of irreparable harm, balance of harms, consideration of the public interest or the inadequacy of monetary damages as a remedy, (ii) the administration of an order for injunctive relief would not be impractical and, in the event of any breach of any Non-Relocation Covenant by the Club or the Company, the balance of hardships would weigh in favor of entry of injunctive relief, and (iii) the City may enforce any Non-Relocation Covenant contained in this Agreement through specific performance. The Parties hereby agree and irrevocably stipulate that (x) the rights of the City to injunctive relief pursuant to this Non-Relocation Agreement shall not constitute a "claim" pursuant to section 101(5) of the United States Bankruptcy Code (the "**Bankruptcy Code**") and shall not be subject to discharge or restraint of any nature in any bankruptcy proceeding involving the Club or the Company, (y) this Agreement is not an "**executory contract**" as contemplated by section 365 of the Bankruptcy Code, and (z)

action(s) taken by the City pursuant to this Section 5.2 shall not in any way prejudice any other rights or remedies that the City may have under this Agreement, the other Ballpark Agreements or at law or in equity if a court of competent jurisdiction fails to provide injunctive or other equitable relief prohibiting the Club's or the Company's violation of the Non-Relocation Covenants.

**5.3 Specific Performance. NOTWITHSTANDING ANY OF THE FOREGOING, THE CLUB, THE COMPANY AND THE TEAM ACKNOWLEDGES THAT THE GAMES PLAYED BY A TRIPLE A BASEBALL TEAM ARE UNIQUE AND PLAYED WITH PARTICULAR SKILL SUCH THAT THERE IS NO SUBSTITUTE THEREFOR. BASED ON THE FOREGOING, THE CLUB, THE COMPANY AND THE TEAM ACKNOWLEDGE THAT THE DAMAGES SUFFERED BY THE CITY FOR A BREACH OF ANY OF THE NON-RELOCATION COVENANTS CANNOT BE ESTIMATED WITH ANY DEGREE OF CERTAINTY AND THAT THE MONETARY DAMAGES CANNOT FAIRLY AND ADEQUATELY COMPENSATE THE CITY FOR A BREACH OF SAID COVENANTS. THEREFORE, THE CLUB, THE COMPANY AND THE TEAM AGREE THAT THE CITY SHALL HAVE THE RIGHT, IN ADDITION TO ANY OTHER APPLICABLE RIGHTS OR REMEDIES (INCLUDING ANY RIGHTS OR REMEDIES UNDER THIS AGREEMENT OR AT LAW OR AT EQUITY), TO COMPEL THE CLUB, THE COMPANY AND THE TEAM TO COMPLY WITH THE AFORESAID COVENANTS BY APPROPRIATE SPECIFIC PERFORMANCE, INJUNCTIVE OR EQUITABLE PROCEEDINGS. NOTWITHSTANDING ANY OTHER PROVISION IN THIS AGREEMENT, NO CURE PERIOD PROVIDED FOR IN THIS AGREEMENT SHALL BE A CONDITION TO THE RIGHT TO OBTAIN SUCH SPECIFIC PERFORMANCE, OTHER INJUNCTIVE RELIEF OR ANY COURT ORDER ENFORCING PERFORMANCE OF THIS AGREEMENT.**

**5.4 Actual Damages.** In the event of any breach of or misrepresentation in this Agreement by the Club or the Company (other than a Non-Relocation Default subject to the remedies set forth in Section 5.2 or Section 5.3), or in the event of a Non-Relocation Default for which, notwithstanding the intent of the Parties, the City is unable to obtain the relief set forth in Section 5.2 or Section 5.3, the City shall have the right (i) to institute any and all proceedings or claims permitted by law or equity to recover any and all amounts necessary to compensate the City for all damages proximately caused by the Club's or the Company's breach under this Agreement; and (ii) to institute any and all proceedings or claims permitted by law or equity to compel specific performance with respect to the Club's or the Company's obligations under this Agreement and one or more actions to seek and obtain a temporary restraining order, together with such other temporary, preliminary and permanent injunctive or other equitable relief, from any court of competent jurisdiction capable of issuing or granting such relief, to compel the Club and/or the Company to comply with or refrain or cease from breaching or violating the terms, covenants and conditions of this Agreement.

## 5.5 Termination.

(a) In the event a court of competent jurisdiction determines, in a final and non-appealable order, that the Club or the Company has breached any of the Non-Relocation Covenants (a "**Final Order**"), the City shall have the right, but not the obligation, to give to the Club and the Company written notice (a "**Final Notice**") of its intention to terminate this Agreement and all other Ballpark Agreements. After the expiration of a period of thirty (30) days from the date such Final Notice is given, unless the default is cured, this Agreement and the other Ballpark Agreements may, at the sole option of the City, be terminated without liability to the City and without further written notice to the Club or the Company. If, however, within such thirty (30) day period, the Non-Relocation Default is cured, then this Agreement and the other Ballpark Agreements shall not terminate by reason of such Final Notice.

(b) This Agreement, and all obligations of the Parties under this Agreement, shall terminate without further action by, or liability to, any Party upon the expiration or termination of the Lease for any reason expressly permitted under the Lease other than a Tenant Default; provided that upon a termination of the Lease by the City upon the entry of a Final Order that the Club or the Company has breached one or more of the Non-Relocation Covenants, this Agreement shall only terminate as provided in Section 5.5(a) above. For the avoidance of doubt, the Club and the Company shall remain bound by, and shall not be relieved of, their respective obligations under this Agreement upon a termination by the City of the Lease due to a breach of the Non-Relocation Covenants unless a Final Notice is given in accordance with Section 5.5(a).

(c) Except for the provisions of this Agreement that are expressly intended to survive termination, including those set forth in Sections 5.5(b) and 5.5(d) hereof, in the event of a termination of this Agreement and the other Ballpark Agreements under this Section 5.5, then all obligations of the Parties under this Agreement and such other Ballpark Agreements shall also automatically terminate.

(d) Termination of this Agreement and the other Ballpark Agreements shall not alter any existing claim of any Party for breaches of this Agreement or the other Ballpark Agreements occurring prior to such termination and the obligations of the Parties thereto with respect to such existing claims shall survive termination, including, without limitation, the obligations under Sections 5.1, 5.2, 5.3 and 5.4 hereof.

**5.6 Cumulative Remedies.** Each right or remedy of the City provided for herein shall be cumulative of and shall be in addition to every other right or remedy of the City provided for in this Agreement, and the exercise (or the beginning of the exercise) by the City of any one or more of the rights or remedies provided for in this Agreement, shall not preclude the simultaneous or later exercise by the City of any or all other rights or remedies provided for in this Agreement or any other Ballpark Agreement

or hereafter existing at law or in equity, by statute or otherwise; provided however, in the event the City, or a qualified purchaser identified by the City, purchases the Team in accordance with Section 4 hereof, the City's claims for actual damages under Section 5.4 for any breach of the Non-Relocation Covenants by the Club or the Company shall be limited to the fees and expenses of third party attorneys or other professionals retained by the City to enforce such Section 4 and/or the other terms of this Agreement and to consummate the sale of the Team.

6. **Indemnification by the Club.** To the extent allowed by Applicable Law, the Club and the Company shall indemnify, hold harmless and defend the City and each of its officers, officials, employees, agents and volunteers from any and all loss, liability, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including but not limited to personal injury, death at any time and property damage, including damage by fire or other casualty) incurred by the City, the Club or any other Person, and from any and all claims, demands and actions in law or equity (including reasonable attorneys' fees and litigation expenses), arising directly or indirectly out of this Agreement.

7. **Change of Name.** The Club shall change the name of the Team to include the name "El Paso" as part of the Team's name prior to the Commencement Date and shall continue to use that geographical reference in the Team name for the Term of the Lease, including any Renewal Option Period.

8. **Governing Law; Venue.** **THIS AGREEMENT AND THE ACTIONS OF THE PARTIES SHALL IN ALL RESPECTS BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF TEXAS NOTWITHSTANDING ANY CHOICE-OF-LAW OR CONFLICT-OF-LAW PRINCIPLE THAT MIGHT DICTATE A DIFFERENT GOVERNING LAW.** Venue for any judicial, administrative or other action to enforce or construe any term of this Agreement or arising from or relating to this Agreement shall be exclusively in El Paso, Texas. Each Party irrevocably agrees, consents and submits to jurisdiction and venue in the federal and state courts located in El Paso, Texas, regarding any judicial, administrative or other action to enforce or construe any term of this Agreement or arising from or relating to this Agreement. Each Party hereby waives all defenses based upon *forum non conveniens*, improper venue, or personal jurisdiction in any such action.

9. **Interpretation.** The headings of sections and paragraphs in this Agreement are for convenience only and shall not be construed in any way to limit or define the content, scope or intent of the provisions hereof. As used in this Agreement, the singular shall include the plural, and masculine, feminine and neuter pronouns shall be fully interchangeable where the context so requires. If any provision of this Agreement, or any paragraph, sentence, clause, phrase or word, or the application thereof, in any circumstances, is adjudicated by a court of competent jurisdiction to be invalid, the validity of the remainder of this Agreement shall be construed as if such invalid part were never included herein. Time is of the essence of this Agreement.

10. **Entire Agreement; Waiver.** This Agreement and the other Ballpark Agreements contain the sole and entire agreement among the Parties and their Affiliates with respect to their

subject matter, are fully integrated, and supersede all prior written or oral agreements among them relating to that subject matter. This Agreement may not be modified, amended or waived except by a written instrument signed by each of the Parties affected thereby, and approved by the Controlling Body of City if signed by the City. Waiver by any Party of any breach of any provision of this Agreement shall not be considered as or constitute a continuing waiver or a waiver of any other breach of the same or other provision of this Agreement.

**11. Representations and Warranties.** The Club and the Company hereby represent and warrant to the City as follows:

(a) the execution, delivery and performance by the Club and the Company of this Agreement have been duly authorized by all necessary limited liability company action, and do not and will not contravene or conflict with (i) the limited liability company agreement of the Club or the Company, (ii) any provision of the Club's Professional Baseball Agreement and any other Minor League Baseball rules or regulations with respect to the location of the Team or the subject matter hereof; (iii) any law, order, rule, regulation, writ, injunction or decree now in effect of any government, governmental instrumentality or court having jurisdiction over the Club or the Company, or (iv) any loan agreement or other contractual restriction binding on or affecting the Club or the Company or any of its property or assets, except where any of the foregoing could not reasonably be expected to have a material adverse effect on the Club and/or the Company;

(b) this Agreement is a legal, valid and binding obligation of the Club and the Company enforceable against such Parties in accordance with its terms;

(c) except as disclosed in writing to the City, there is no action, proceeding or investigation pending or, to the knowledge of the Club or the Company, threatened or affecting the Club or the Company, which may adversely affect the ability of the Club or the Company to fulfill and perform their respective obligations and other undertakings under this Agreement. The Club and the Company are not in default with respect to any judgment, order, injunction or decree of any Governmental Authority which is in any respect material to the transactions contemplated in and by this Agreement;

(d) each of the Club and the Company is a limited liability company duly formed, validly existing, and in good standing under the laws of the State of Texas;

(e) the Club is a member in good standing of Minor League Baseball and is in compliance in all material respects with all applicable Baseball Rules and Regulations which are relevant to this Agreement; and

(f) each of the Club and the Company has full power and legal right to execute and deliver this Agreement and to perform and observe the provisions of this Agreement.

**12. Assignment.** The obligations of the Club and/or the Company under this Agreement may not be assigned without prior Approval of the City. With respect to a proposed assignment by the Club or the Company to an Affiliate of the Club, such prior Approval of the

City may be withheld in the City's sole discretion. With respect to a proposed assignment by the Club or the Company to a Person who is not an Affiliate of the Company, such prior Approval of the City shall not be unreasonably withheld as long as all of the Leasehold Estate (as defined in the Lease) is being assigned to the same Person in accordance with Section 13.1 of the Lease and neither the Club nor the Company are in default under the terms of this Agreement, the Lease or the Development Agreement. Any attempt to make an assignment in violation of this provision shall be a material default under this Agreement and any attempted assignment in violation of this provision shall be null and void.

**13. Notices.** All notices permitted or required to be made hereunder shall be in writing and delivered by hand, overnight courier, certified mail, facsimile or e-mail. Notices shall be deemed given (a) when actually given and received if delivered by hand; (b) one (1) Business Day after delivery to an overnight courier if delivered by an overnight courier; (c) three (3) Business Days after deposit with the United States Postal Service if delivered by certified mail; or (d) when sent if delivered by facsimile or e-mail (as evidenced by facsimile or e-mail confirmation). All such notices shall be addressed to the appropriate Party as follows:

To the City:                   City of El Paso, Texas  
2 Civic Center Plaza, 10<sup>th</sup> Floor  
El Paso, Texas 79901  
Attention: City Manager

with a copy to:               City of El Paso, Texas  
2 Civic Center Plaza, 9<sup>th</sup> Floor  
El Paso, Texas 79901  
Attention: City Attorney

To the Club and  
the Company:

Mountain Star Sports Group  
4401 N. Mesa  
El Paso, Texas 79902  
Attention: Joshua Hunt

Either Party may from time to time designate a different address for notices by giving notice to that effect to the other Party in accordance with the terms and conditions of this Section.

**14. Severability.** Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under Applicable Law, but if any provision of this Agreement is held to be prohibited by or invalid under Applicable Law, the Parties shall, to the extent possible, negotiate a revised provision which (a) complies with Applicable Law, (b) does not alter any of the substantive rights, obligations or liabilities of any party under this Agreement or any other Ballpark Agreement, and (c) confers upon the Parties the benefits intended to be conferred by the invalid provision; and the remaining provisions of

this Agreement, if capable of substantial performance, shall be enforced as if this Agreement was entered into without the invalid provision.

15. **Attorneys' Fees.** If any Party to this Agreement defaults in the performance of any covenants, obligations or agreements of such Party contained in this Agreement and another Party hereto places the enforcement of this Agreement, or any part thereof, or the exercise of any other remedy therein provided for such default, in the hands of an attorney who files suit upon the same (either by direct action or counterclaim), the non-prevailing Party shall pay to the prevailing Party its reasonable attorneys' fees and costs of court. In addition to the foregoing award of attorneys' fees to the prevailing Party, the prevailing Party shall be entitled to its attorneys' fees incurred in any post-judgment proceedings to collect or enforce the judgment. This provision is separate and several and shall survive the merger of this Agreement into any judgment on this Agreement.

16. **Force Majeure.** If any Party shall be delayed in the performance of any obligation hereunder as a result of a Force Majeure Event, then the performance of such obligation shall be extended by the length of such delay. In response to and during any delay caused by a Force Majeure Event, the Parties shall at all times act diligently and in good faith to bring about the termination or removal of the Force Majeure Event as promptly as reasonably possible and any party seeking an excuse of performance due to such Force Majeure Event shall work diligently and in good faith to reduce or eliminate any damage, cost or delay caused by such Force Majeure Event.

17. **Counterparts.** If this Agreement is executed in several counterparts, each of those counterparts shall be deemed an original, and all of them together shall constitute one and the same instrument.

18. **Company Guaranty.** Notwithstanding anything herein to the contrary the Company hereby unconditionally and irrevocably guarantees to City the due, punctual and full payment and performance of all covenants, agreements, obligations and liabilities of Club under this Agreement, the Lease and the Development Agreement, whether now existing or hereafter arising, contracted or incurred, as and when such payment or performance shall become due (whether by acceleration or otherwise) in accordance with the terms of this Agreement, the Lease and the Development Agreement. The obligations of the Company hereunder are continuing, absolute and unconditional, irrespective of any circumstance whatsoever which might otherwise constitute a legal or equitable discharge or defense of a guarantor (other than the defense that the obligations have been paid or satisfied).

*[Remainder of Page Intentionally Left Blank]*

IN WITNESS WHEREOF, the Parties hereto, intending to be legally bound hereby, have duly executed this Agreement as of the date and year first above written.

**CITY:**

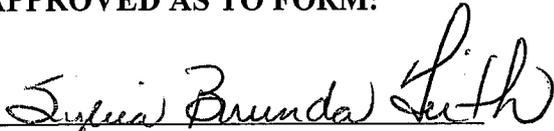
**CITY OF EL PASO, TEXAS**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**APPROVED AS TO FORM:**



Sylvia Borunda Firth  
City Attorney

**APPROVED AS TO CONTENT:**



William F. Studer, Jr.  
Deputy City Manager for  
Development and Tourism

**COMPANY:**

**MOUNTAIN STAR SPORTS GROUP, LLC,**  
a Texas limited liability company

**CLUB:**

**MOUNTAIN STAR SPORTS GROUP,  
LLC—EL PASO BASEBALL CLUB  
SERIES**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## **LEAGUE ACKNOWLEDGEMENT**

The undersigned duly authorized official of the Pacific Coast League of Professional Baseball Clubs, Inc hereby acknowledges receipt of the Non-Relocation Agreement between the City of El Paso, Texas, Mountain Star Sports Group, LLC—El Paso Baseball Club Series and Mountain Star Sports Group, LLC with respect to the Triple A Minor League Baseball franchise referenced in such agreement as the “Team.” The PCL affirms that the Non-Relocation Covenants set forth in Section 2 of such agreement do not violate current PCL rules or regulations.

**PACIFIC COAST LEAGUE OF PROFESSIONAL  
BASEBALL CLUBS, INC**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

S E R V I C E   S O L U T I O N S   S U C C E S S



# City of El Paso

BALLPARK

*September 18, 2012*

**William F. Studer, Jr.**  
**Deputy City Manager**  
**City of El Paso**





## **Professional Baseball**

**1869 – First Professional Baseball Team Cincinnati Reds**

**1958 – Dodger & Giants move to California**

## **Texas Baseball**

**Prior to 1962 Texas League (AA Baseball)**

**1962 – Houston Colt 45's**

**1972 – Texas Rangers in Arlington**

**AAA – Round Rock Express – Nolan Ryan**



**No MLB or AAA in San Antonio, Dallas, Austin & Fort Worth**



# Sports & Entertainment Amenity Costs

## Olympic Size Pool

- **Construction cost is \$12 Million**
- **Annual Operation cost of \$689,895**
- **Annual Maintenance, including utility costs, would be \$500,000**





# Sports & Entertainment Amenity Costs

## Major Soccer Complex (12+ Fields)

- Construction cost is from \$10,000,000 to \$15,000,000 with the higher number being synthetic fields
- Annual Operation cost of \$110,000 (not to include GSD services such as utilities or maintenance)
- \$30,000 maintenance per natural turf field annually
- \$18,000 per artificial turf field annually
- Annual utility costs are \$30,591





## Double Tree Hotel

- Event Room Block Rate
- Hotel Parking Lot Facilities
- Hotel Occupancy Tax
- Property Tax Abatement
- Sale & Use Tax and Mixed Beverage Tax
- Total of \$1,121,688 since 2009





# Outlet Shoppes of El Paso

## Sales and Use Tax Revenue

- 50% of the City's 1% Sales and Use Tax revenue
- Total of \$1.25 M

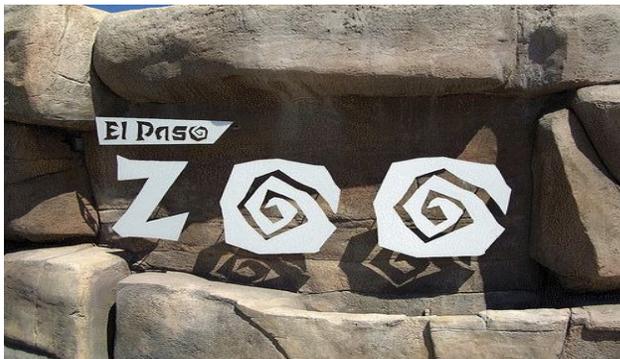




# Cost of Construction and Operation

## Art Museum

- **Cost of Construction**  
**\$8 million**
- **5 year operation**  
**\$6,165,313**



## Zoo

- **The cost for the Asian expansion in 1994 was \$5.5M**
- **2000 Bond: Zoo received \$34M**
- **5 year operation \$6,165,313**



## El Paso CVB Operations

### Civic Center

- Opened in 1972
- 2002 - \$20 Million Renovation/Expansion



### Plaza Theater

- 2004 – \$38 Million Renovation
- Reopened in March 2006



**Total Combined 5 year operation of \$30,572,620**



## Why Triple-A Baseball?

- **Local ownership group buying team to locate in El Paso as amenity for the citizens and visitors of El Paso**
- **Team available for purchase now**
- **City had to partner to build new stadium downtown**
- **Be ready for 2014 season**
- **25 year lease commitment**





## Why Triple-A Baseball?

- Triple-A baseball is also an economic development opportunity
- Only 30 cities in the nation host Triple-A baseball teams
- Triple-A baseball would provide 72+ home games per season plus additional special events to the Downtown area
- Visiting teams, officials, media and visitors will stay in El Paso as part of this investment
- Triple-A brings an average of 436,000 patrons per season





## What is the economic impact of having Triple-A Baseball in El Paso?

- Ballpark visitors will spend an average of \$41.17 per game, which translates to over \$17.9 million in direct spending per year
- Constructing a \$50 million ballpark contributes an estimated total economic impact of \$76.8 million, labor income of \$22.6 million and 611.7 jobs





## ***Why not Cohen Stadium?***



- **Cohen stadium is over 20 years old and does not meet Triple-A standards**
  - **Numerous deferred maintenance issues**
- 
- **The location of Cohen is not downtown, which is a key focus area of the City and ownership group**
  - **Not acceptable to League or ownership group, even as interim facility**



## *Why not Cohen Stadium?*

- **Inadequate Revenue Generating Opportunities to Support Triple-A**
  - Concessions
  - Sponsorship
  - Group Sales
  - Premium Seating
- **Inadequate Team Infrastructure**
  - Locker Rooms
  - Physical Conditioning Space
  - Rehabilitation Space
  - Administrative Office Space
- **Inadequate Fan Experience Infrastructure**
  - Limited Seating Options
  - Concessions Points of Sale is Low
  - Inadequate Commissary
  - Limited Opportunities for Premium Menu Items
  - Number of Restrooms is Low
  - Premium Seating is Substandard (Suites/Club Spaces)
  - No Lounge/Meeting Space





## ***Why not Asarco?***

**The ASARCO property is not owned nor directed by the City of El Paso. It is under the exclusive jurisdiction of a trustee, Project Navigator, appointed by the federal bankruptcy court.**

**Additionally, ASARCO is currently not in an environmental condition for this type of development as environmental clean-up of the site will not be completed until 2015**





# *Why Downtown and Specifically the City Hall Site?*



- **Downtown Opportunities**



## Multiple Downtown Locations Considered





# Accessibility



- 4,322 existing parking spaces within a 5 minute walk of the Convention Center
- Accessible from I-10 and the Southern Relief Route, and is within close proximity to downtown's international bridges
- Rapid Transit System
- Future Trolley System



## *Why the City Hall Site?*

- **The size of the site can accommodate baseball in the required orientation and works with proposed Triple-A timeline**
- **Eliminates the need for private property acquisition and allows the project to proceed in a timely manner**
- **City Hall is in need of extensive repairs**





**DRAFT CONCEPTUAL IMAGE**  
**POPULOUS**

DRAWING PEOPLE TOGETHER



## **BallPark Lease Agreement**

- **Parties: City of El Paso and Mountain Star Sports Group, LLC**
- **Ballpark shall be owned by the City**
- **City responsible for securing financing**
- **Development of the Ballpark subject to the approvals of the City as required by law**
- **Team shall include “El Paso” as part of the Team’s name**
- **The Club has committed to keep ballgames an affordable family entertainment activity**



## BallPark Lease Agreement

- **City and the Club shall mutually agree on the selection of a qualified architectural firm**
- **The Ballpark shall be first-class and state-of-the art**
- **Total cost not exceed \$50 million**





# BallPark Lease Agreement

## The Club shall have the right to:

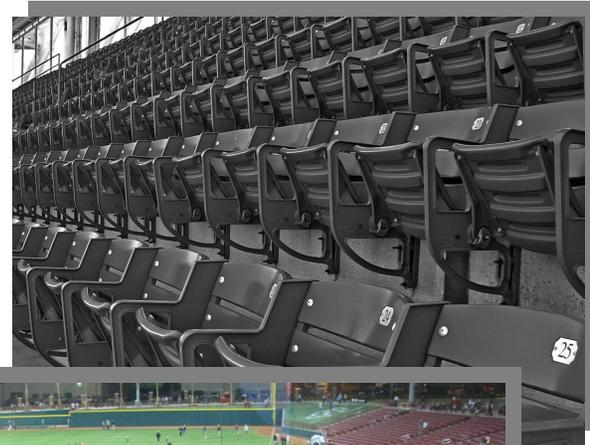
- Naming Rights
- Advertising Revenue
- Premium Seating Revenue
- Concessions
- Merchandise





## BallPark Lease Agreement

- 7,000 to 9,000 Seats
- 20 to 25 Luxury Seats
- Team Office Space
- Retail Store





## **BallPark Lease Agreement**

- **Ballpark to open for 2014 Triple A-season**
- **The Team shall play home games at the Ballpark for 25-years after the Commencement Date**
- **Renewal Periods: 3 consecutive additional of 5 years each**
- **Fixed rental of \$200,000 per year**
- **Ticket Fee: \$0.10 for each ticket**
- **Capital Repairs Reserve Fund: 3<sup>rd</sup> full payment, 75% into the Capital Repairs Reserve Fund**



# Triple-A Lease Comparisons

Team	Average Household Income	Annual Rent - Stadium	Ticket Surcharge	Parking
<b>El Paso Triple-A</b>	<b>\$48,864</b>	<b>\$200,000</b>	<b>\$0.50</b>	<b>50%</b>
New Orleans Zephyrs	\$62,197	\$0	0%	100%
Reno Aces	\$70,766	\$1.00	0%	100%
Round Rock Express	\$73,579	\$1.00	0%	100%
Salt Lake Bees	\$72,868	\$7,500	0%	100%
Iowa Cubs	\$69,854	\$16,000	0%	100%
Syracuse Chiefs	\$61,817	\$126,000	0%	100%
Oklahoma City Redhawks	\$58,806	\$150,000	0%	100%
Gwinnett Braves	\$75,055	\$250,000	\$1.00	50%
Durham Bulls	\$66,390	\$300,000	\$0.25	100%
Omaha Storm Chasers	\$66,712	\$450,000	\$0.50	100%
Tacoma Rainiers	\$79,557	\$500,000	\$0.50	100%
Albuquerque Isotopes	\$60,716	\$700,000	10.00%	100%



# Triple-A Lease Comparisons

Team	Average Household Income	Annual Rent - Stadium	Ticket Surcharge	Parking
<b>El Paso Triple-A</b>	<b>\$48,864</b>	<b>\$200,000</b>	<b>\$0.50</b>	<b>50%</b>
<b>Econdido Padres</b>	<b>\$80,006</b>	<b>\$200,000</b>	<b>0%</b>	<b>50%</b>
<b>Tucson Padres</b>	<b>\$59,389</b>	<b>\$0</b>	<b>\$0.50</b>	<b>Free</b>
<b>El Paso Diablos</b>	<b>\$48,864</b>	<b>\$0</b>	<b>0%</b>	<b>100%</b>



# BallPark Lease Agreement

## Opportunities for Non-Baseball Events

- Civic-Oriented
- Community
- Educational Events
- Concerts
- Other Sporting Events
- Meeting & Banquets
- Any Other For Profit Events



# BallPark Lease Agreement

## Tenant's Operation and Routine Maintenance

- Club responsible for all operating expenses and routine maintenance and repairs
- City shall be responsible for the prompt and timely installation, repair and replacement of all Capital Improvements such that the Ballpark remains a safe, clean, attractive, and first-class facility

## Utilities

- The City & Club shall each pay ½ of annual water and sewer cost
- The club shall reimburse the City for electric expenses



# BallPark Lease Agreement

## 200 Surface Parking Spaces

- City Hall Visitor Lot & end of Franklin St.

## 300 Season Parking

- 300 parking spaces in the Offsite Garage Parking (Convention Center and UPTT)
- Equal to \$1.00 times the number of Season Parking Events for 12 month period (approximately \$80 per year)

## Parking Revenues

- City and Club shall divide from garages for daily parking fees
- Beginning 1 hr before Ballpark until 1 hr after the start of the Ballpark event





# BallPark Development Agreement

- The design, development, construction and furnishing of the Ballpark Improvements shall be a cooperative process





## **BallPark Non-Relocation Agreement**

- **The Club and the Team shall maintain their principal place of business in the City**
- **If the Club attempts directly or indirectly, to, or does, relocate the Team in violation of any provision of the Non-Relocation Agreement, the City shall have the right to purchase, or identify a qualified potential purchaser to purchase the Team.**
- **Actual Damages: City shall have the right to institute claims permitted by law or equity to recover any damages proximately caused by the Club's breach**



**PACIFIC COAST LEAGUE**  
of Professional Baseball Clubs, Inc.



PACIFIC COAST LEAGUE  
of Professional Baseball Clubs, Inc.

One Chisholm Trail, Suite 4200  
Round Rock, TX 78681  
Phone: (512) 310-2900  
Fax: (512) 310-8300

July 30, 2012

Joyce Wilson  
City Manager  
2 Civic Center Plaza, 9th Floor  
El Paso, TX 79901

Dear Ms. Wilson,

The purpose of this letter is to confirm to you that Mountain Star "Ownership Group") has entered into a Term Sheet and subsequent purchase agreement covering the contractual rights to a Triple-A baseball team, which intends to relocate to El Paso.

Under the Constitution of the Pacific Coast League of Professional Baseball Clubs ("PCL"), the Ownership Group is required to obtain initial approval from our Preliminary Application Review ("PAR") process, and I am pleased to report that the Ownership Group received *unanimous* approval of its PAR application by the Executive Committee on July 25, 2012.

The Ownership Group has begun the next phase of baseball's application process by submitting a Control Interest Transfer ("CIT") application to Minor League Baseball. The review of that application is in process. Because the Ownership Group has already been approved under the PAR process, we expect the CIT review to be straightforward and we do not anticipate any issues.

Finally, it is my understanding that all funds required for the acquisition have already been deposited in a single purpose, segregated account.

Sincerely,

Branch B. Rickey  
President

BBR/maf

Web: [www.pclbaseball.com](http://www.pclbaseball.com)  
E-mail: [office@pclbaseball.com](mailto:office@pclbaseball.com)

Joyce Wilson  
City Manager  
2 Civic Center Plaza, 9th Floor  
El Paso, TX 79901

Dear Ms. Wilson,

The purpose of this letter is to confirm to you that Mountain Star Sports Group, LLC (the "Ownership Group") has entered into a Term Sheet and subsequent purchase agreement covering the contractual rights to a Triple-A baseball team, which the Ownership Group intends to relocate to El Paso.

Sincerely,

Branch B. Rickey  
President



# Questions or Comments?





# ***2013 City Hall and Ballpark Capital Improvement Plan and Related Relocation Plan***

September 18, 2012

Prepared by: Carmen Arrieta-Candelaria,  
Chief Financial Officer





# Components of City Hall Relocation Plan and Related Capital Improvement Plan

	<p><b>Component 1</b></p>	<p><b>Acquisition of new City Hall site and related parking lot</b></p>
	<p><b>Component 2</b></p>	<p><b>Plan, design, and construct Ballpark</b></p>
	<p><b>Component 3</b></p>	<p><b>IT relocation improvements, records/archiving and moving of staff and FF&amp;E</b></p>



## Component 1

**Acquisition of new City Hall site and  
related parking lot**



# Capital Acquisitions

## Purpose:

- To house City Administration and Information Technology

## Strategic Characteristics:

- Located near State offices; 911 District and near 801/11 Texas; parking lot across the street included
- Building in excellent condition with open floor plan and

## Base Purchase Price (without closing costs):

- \$11,000,000.00 building/\$3,000,000.00 parking lot

## Gross Square Footage:

- 85,394/\$128.81 per square foot

## Improvements Needed:

- Minimal due to condition of building



## 300 North Campbell (Building and Parking Lot)





# Capital Acquisitions

## Purpose:

- To house City Development and other customer service-oriented departments.

## Strategic Characteristics:

- Storefront area accessible from alley; ample customer parking in city-owned lot and streets; originally built in 1919 and good candidate for renovation; open floor plan.

## Base Purchase Price (without closing costs):

- \$2,300,000.00

## Gross Square Footage:

- 69,000/\$33.33 per square foot

## Improvements Needed:

- Significant improvements will need to be made to be ready for staff to move in.



## 801/811 Texas





# SUMMARY OF BUILDING COSTS

Building	Construction and related closing costs*
801/811 Texas	\$2,460,800
300 North Campbell	\$11,507,750
Parking Lot	\$3,140,800
Upgrades, renovations and furnishings for all facilities	\$11,005,000
<b>Total</b>	<b>\$29,238,924</b>
<b>Financed with Certificates of Obligation – Debt Tax Rate Impact: \$.0062</b>	

Annual Cost to Taxpayer: \$6.20  
based on a \$100,000 home



\*includes 2% for the AISC, 1% for Debt Insurance



## Component 2

**Plan, design, and construct Ballpark  
on City Hall site**



## Plan, Design and Construct the Ballpark

- Ballpark budget consists of
  - Planning and review of City Hall site
  - Consulting, architect and engineering costs
  - Designing the Ballpark
  - Demolishing and preparing the site for construction
  - Constructing the Ballpark



*Planned Budget  
is \$52 million*

*(includes 2% Public Art  
and 2% Bond Issuance  
Costs)*





# How is the Ballpark financed and who pays for it?

- **Goal was to minimize the impact to the taxpayers by seeking an alternative way to pay for the venue**
  - **2% HOT revenue – *new* revenue to the City if approved by voters**





# How is the Ballpark financed and who pays for it?

- **The most cost effective way to finance the Ballpark is with the utilization of a 2% Hotel Occupancy Tax imposed on individuals occupying a hotel room in El Paso**
  - **This requires voter approval of a venue project to fund the project**
  - **Currently scheduled for vote on November 6, 2012**





## How is the Ballpark financed and who pays for it? (continued)

- **The 2% Hotel Occupancy Tax pays for approximately 72% of the cost of the Ballpark but this % increases over time if HOT growth materializes and therefore reduces the amount of dollars required from other sources**



*What are the other sources?*





## How is the Ballpark financed and who pays for it? (continued)

- **Other Sources to support the debt of the Ballpark are:**
  - **Ticket Surcharge** charged to each ticket purchased by fans
  - **Rent** paid by the Team to the City for the stadium
  - **General fund revenues** that are generated by the presence of the Ballpark such as additional sales tax and parking revenues and other general fund revenues



*How does this work?*





# If HOT passes, Estimated *Revenues* Generated by 2% HOT and Ballpark-related Sources

	Fiscal Year	HOT revenues	Ticket Surcharge	Rent	General Fund Revenues					Total Revenues
					Sales Tax	Parking (1)	Parking (2)	Other	Offset of Water	
	2013	1,746,667	-	-	-	-	-	-	-	1,746,667
1	2014	2,620,000	218,396	200,000	179,805	24,000	132,000	-	(16,750)	3,357,451
2	2015	2,698,600	218,396	50,000	181,603	24,000	133,320	-	(16,918)	3,289,002
3	2016	2,779,558	218,396	50,000	183,420	24,000	134,653	-	(17,087)	3,372,940
4	2017	2,862,945	218,396	50,000	185,254	24,000	136,000	-	(17,258)	3,459,337
5	2018	2,948,833	218,396	50,000	187,106	24,000	137,360	-	(17,430)	3,548,265
6	2019	3,037,298	240,236	70,000	188,977	26,400	138,733	-	(17,604)	3,684,040
7	2020	3,128,417	240,236	70,000	190,867	26,400	140,121	-	(17,780)	3,778,260
8	2021	3,222,270	240,236	70,000	192,776	26,400	141,522	-	(17,958)	3,875,244
9	2022	3,318,938	240,236	70,000	194,704	26,400	142,937	-	(18,138)	3,975,076
10	2023	3,418,506	240,236	70,000	196,651	26,400	144,366	-	(18,319)	4,077,839
11	2024	3,521,061	266,443	92,000	198,617	29,040	145,810	-	(18,502)	4,234,469
12	2025	3,626,693	266,443	92,000	200,603	29,040	147,268	-	(18,687)	4,343,360
13	2026	3,735,494	266,443	92,000	202,609	29,040	148,741	-	(18,874)	4,455,452
14	2027	3,847,558	266,443	92,000	204,635	29,040	150,228	-	(19,063)	4,570,842
15	2028	3,962,985	266,443	92,000	206,682	29,040	151,731	-	(19,254)	4,689,627
16	2029	4,081,875	292,651	116,200	208,749	31,920	153,248	-	(19,446)	4,865,195
17	2030	4,204,331	292,651	116,200	210,836	31,920	154,780	-	(19,641)	4,991,077
18	2031	4,330,461	292,651	116,200	212,944	31,920	156,328	-	(19,837)	5,120,667
19	2032	4,460,375	292,651	116,200	215,074	31,920	157,891	-	(20,035)	5,254,075
20	2033	4,594,186	292,651	116,200	217,225	31,920	159,470	-	(20,236)	5,391,416
21	2034	4,732,011	318,858	142,820	219,397	35,040	161,065	-	(20,438)	5,588,753
22	2035	4,873,972	318,858	142,820	221,591	35,040	162,676	-	(20,643)	5,734,314
23	2036	5,020,191	318,858	142,820	223,807	35,040	164,302	-	(20,849)	5,884,169
24	2037	5,170,797	318,858	142,820	226,045	35,040	165,946	-	(21,057)	6,038,448
25	2038	5,325,921	318,858	142,820	228,305	35,040	167,605	-	(21,268)	6,197,281
26	2039	5,485,698	-	-	-	-	-	-	-	5,485,698
	2040	-	-	-	-	-	-	-	-	-
TOTALS		101,008,971	6,682,918	2,505,100	5,078,281	732,000	3,728,102	-	(473,074)	121,008,964

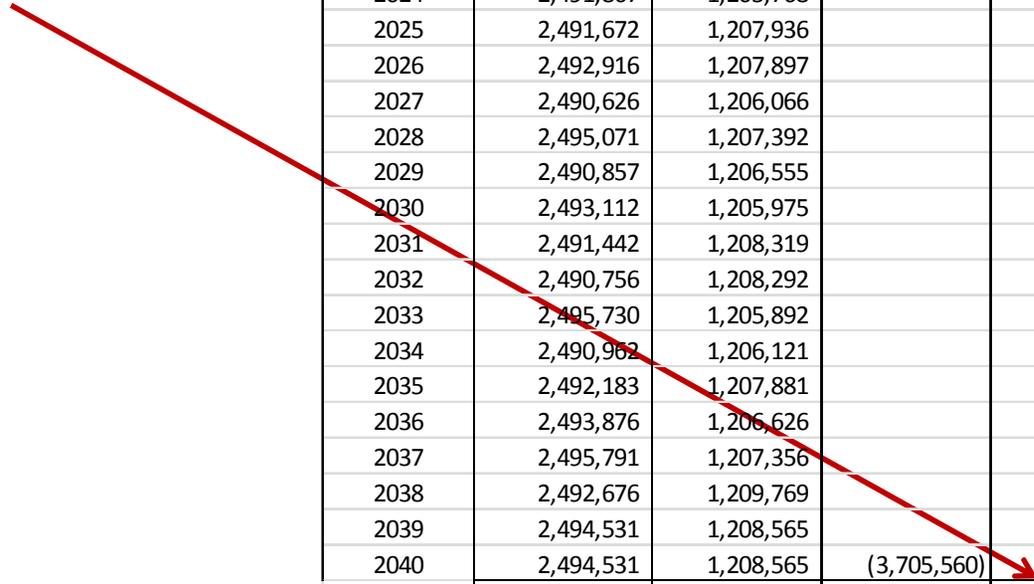
*No other Revenues not directly attributable to ballpark*





If HOT passes,  
Estimated **Cost**  
to Finance  
Ballpark

Fiscal Year	Tax-Exempt	Taxable	Reserve Fund	Total Debt*
2013	-	-		-
2014	2,495,004	1,205,524		3,700,528
2015	2,495,129	1,207,139		3,702,268
2016	2,492,151	1,207,927		3,700,078
2017	2,491,698	1,207,818		3,699,516
2018	2,494,035	1,206,423		3,700,458
2019	2,493,480	1,208,794		3,702,274
2020	2,494,718	1,204,620		3,699,338
2021	2,492,960	1,209,098		3,702,058
2022	2,492,666	1,206,755		3,699,421
2023	2,493,825	1,206,950		3,700,775
2024	2,491,867	1,205,768		3,697,635
2025	2,491,672	1,207,936		3,699,608
2026	2,492,916	1,207,897		3,700,813
2027	2,490,626	1,206,066		3,696,692
2028	2,495,071	1,207,392		3,702,463
2029	2,490,857	1,206,555		3,697,412
2030	2,493,112	1,205,975		3,699,087
2031	2,491,442	1,208,319		3,699,761
2032	2,490,756	1,208,292		3,699,048
2033	2,495,730	1,205,892		3,701,622
2034	2,490,962	1,206,121		3,697,083
2035	2,492,183	1,207,881		3,700,064
2036	2,493,876	1,206,626		3,700,502
2037	2,495,791	1,207,356		3,703,147
2038	2,492,676	1,209,769		3,702,445
2039	2,494,531	1,208,565		3,703,096
2040	2,494,531	1,208,565	(3,705,560)	(2,464)
TOTALS	67,314,265	32,596,023	(3,705,560)	96,204,728





	Fiscal Year	Total Revenues	Total Debt	Coverage	Excess Revenues over Debt
	2013	1,746,667	-	-	1,746,667
1	2014	3,357,451	3,700,528	0.91	(343,077)
2	2015	3,289,002	3,702,268	0.89	(413,266)
3	2016	3,372,940	3,700,078	0.91	(327,138)
4	2017	3,459,337	3,699,516	0.94	(240,179)
5	2018	3,548,265	3,700,458	0.96	(152,193)
6	2019	3,684,040	3,702,274	1.00	(18,234)
7	2020	3,778,260	3,699,338	1.02	78,922
8	2021	3,875,244	3,702,058	1.05	173,186
9	2022	3,975,076	3,699,421	1.07	275,655
10	2023	4,077,839	3,700,775	1.10	377,064
11	2024	4,234,469	3,697,635	1.15	536,834
12	2025	4,343,360	3,699,608	1.17	643,752
13	2026	4,455,452	3,700,813	1.20	754,639
14	2027	4,570,842	3,696,692	1.24	874,150
15	2028	4,689,627	3,702,463	1.27	987,164
16	2029	4,865,195	3,697,412	1.32	1,167,783
17	2030	4,991,077	3,699,087	1.35	1,291,990
18	2031	5,120,667	3,699,761	1.38	1,420,906
19	2032	5,254,075	3,699,048	1.42	1,555,027
20	2033	5,391,416	3,701,622	1.46	1,689,794
21	2034	5,588,753	3,697,083	1.51	1,891,670
22	2035	5,734,314	3,700,064	1.55	2,034,250
23	2036	5,884,169	3,700,502	1.59	2,183,667
24	2037	6,038,448	3,703,147	1.63	2,335,301
25	2038	6,197,281	3,702,445	1.67	2,494,836
26	2039	5,485,698	3,703,096	-	1,782,602
	2040	-	(2,464)	-	2,464
	<b>TOTALS</b>	<b>121,008,964</b>	<b>96,204,728</b>		<b>24,804,236</b>

If HOT passes,  
Estimated  
Difference between  
the *Revenues* and  
the *Cost* to Finance  
Ballpark

Surplus of  
Ballpark related  
revenues and  
HOT revenues  
is \$24.804  
million





	Fiscal Year	Excess Revenues over Debt	Cumulative Excess Revenues over Debt	Breakdown of General vs HOT	
				General	HOT
1	2013	1,746,667	1,746,667		1,746,667
2	2014	(343,077)	1,403,590		(343,077)
3	2015	(413,266)	990,324		(413,266)
4	2016	(327,138)	663,186		(327,138)
5	2017	(240,179)	423,007		(240,179)
6	2018	(152,193)	270,814		(152,193)
7	2019	(18,234)	252,580		(18,234)
8	2020	78,922	331,501	78,922	
9	2021	173,186	504,688	173,186	
10	2022	275,655	780,343	275,655	
11	2023	377,064	1,157,407	377,064	
12	2024	536,834	1,694,241	536,834	
13	2025	643,752	2,337,993	643,752	
14	2026	754,639	3,092,632	719,959	34,681
15	2027	874,150	3,966,782	723,284	150,866
16	2028	987,164	4,953,946	726,642	260,522
17	2029	1,167,783	6,121,729	783,321	384,463
18	2030	1,291,990	7,413,720	786,746	505,244
19	2031	1,420,906	8,834,626	790,206	630,700
20	2032	1,555,027	10,389,653	793,700	761,327
21	2033	1,689,794	12,079,446	797,230	892,564
22	2034	1,891,670	13,971,117	856,742	1,034,928
23	2035	2,034,250	16,005,366	860,342	1,173,908
24	2036	2,183,667	18,189,034	863,978	1,319,689
25	2037	2,335,301	20,524,334	867,651	1,467,650
26	2038	2,494,836	23,019,170	871,360	1,623,476
	2039	1,782,602	24,801,772	-	1,782,602
	2040	2,464	24,804,236	-	2,464
	TOTALS	24,804,236	24,804,236	12,526,574	12,277,662

If HOT passes,  
Estimated  
Difference between  
the *Revenues* and  
the *Cost* to Finance  
Ballpark

General -\$12.526  
million

Excess HOT revenues -  
\$12.277 million – Goes  
back to Debt





## If the HOT fails, then General Fund picks up the difference between Ballpark-related Revenue and Debt payments

	Fiscal Year	Ticket Surcharge	Rent	General Fund Revenues					Total Revenues
				Sales Tax	Parking (1)	Parking (2)	Other	Offset of Water	
	2013	-	-	-	-	-	-	-	-
1	2014	218,396	200,000	179,805	24,000	132,000	2,755,833	(16,750)	3,493,284
2	2015	218,396	50,000	181,603	24,000	133,320	2,930,695	(16,918)	3,521,097
3	2016	218,396	50,000	183,420	24,000	134,653	2,987,577	(17,087)	3,580,959
4	2017	218,396	50,000	185,254	24,000	136,000	3,045,850	(17,258)	3,642,242
5	2018	218,396	50,000	187,106	24,000	137,360	3,118,999	(17,430)	3,718,431
6	2019	240,236	70,000	188,977	26,400	138,733	3,151,734	(17,604)	3,798,476
7	2020	240,236	70,000	190,867	26,400	140,121	3,140,871	(17,780)	3,790,714
8	2021	240,236	70,000	192,776	26,400	141,522	3,135,486	(17,958)	3,788,461
9	2022	240,236	70,000	194,704	26,400	142,937	3,129,865	(18,138)	3,786,003
10	2023	240,236	70,000	196,651	26,400	144,366	3,129,058	(18,319)	3,788,391
11	2024	266,443	92,000	198,617	29,040	145,810	3,072,025	(18,502)	3,785,433
12	2025	266,443	92,000	200,603	29,040	147,268	3,070,614	(18,687)	3,787,281
13	2026	266,443	92,000	202,609	29,040	148,741	3,063,544	(18,874)	3,783,503
14	2027	266,443	92,000	204,635	29,040	150,228	3,065,371	(19,063)	3,788,655
15	2028	266,443	92,000	206,682	29,040	151,731	3,060,379	(19,254)	3,787,021
16	2029	292,651	116,200	208,749	31,920	153,248	3,001,325	(19,446)	3,784,646
17	2030	292,651	116,200	210,836	31,920	154,780	2,997,400	(19,641)	3,784,146
18	2031	292,651	116,200	212,944	31,920	156,328	2,997,417	(19,837)	3,787,623
19	2032	292,651	116,200	215,074	31,920	157,891	2,995,925	(20,035)	3,789,625
20	2033	292,651	116,200	217,225	31,920	159,470	2,987,602	(20,236)	3,784,832
21	2034	318,858	142,820	219,397	35,040	161,065	2,931,412	(20,438)	3,788,154
22	2035	318,858	142,820	221,591	35,040	162,676	2,925,989	(20,643)	3,786,331
23	2036	318,858	142,820	223,807	35,040	164,302	2,922,304	(20,849)	3,786,282
24	2037	318,858	142,820	226,045	35,040	165,946	2,919,437	(21,057)	3,787,088
25	2038	318,858	142,820	228,305	35,040	167,605	2,911,973	(21,268)	3,783,333
26	2039	-	-	-	-	-	3,789,644	-	3,789,644
	2040	-	-	-	-	-	(12,874)	-	(12,874)
	<b>TOTALS</b>	<b>6,682,918</b>	<b>2,505,100</b>	<b>5,078,281</b>	<b>732,000</b>	<b>3,728,102</b>	<b>79,225,455</b>	<b>(473,074)</b>	<b>97,478,781</b>

Revenues needed →





	Fiscal Year	Tax-Exempt	Taxable	Reserve Fund	Total Debt
	2013	-	-		-
1	2014	2,279,537	1,213,747		3,493,284
2	2015	2,309,270	1,211,827		3,521,097
3	2016	2,371,339	1,209,620		3,580,959
4	2017	2,430,470	1,211,772		3,642,242
5	2018	2,505,872	1,212,559		3,718,431
6	2019	2,586,899	1,211,577		3,798,476
7	2020	2,577,319	1,213,395		3,790,714
8	2021	2,574,767	1,213,694		3,788,461
9	2022	2,573,815	1,212,188		3,786,003
10	2023	2,574,256	1,214,135		3,788,391
11	2024	2,576,090	1,209,343		3,785,433
12	2025	2,574,323	1,212,958		3,787,281
13	2026	2,574,058	1,209,445		3,783,503
14	2027	2,574,960	1,213,695		3,788,655
15	2028	2,576,938	1,210,083		3,787,021
16	2029	2,575,058	1,209,588		3,784,646
17	2030	2,574,358	1,209,788		3,784,146
18	2031	2,574,665	1,212,958		3,787,623
19	2032	2,575,817	1,213,808		3,789,625
20	2033	2,572,494	1,212,338		3,784,832
21	2034	2,574,606	1,213,548		3,788,154
22	2035	2,576,583	1,209,748		3,786,331
23	2036	2,573,079	1,213,203		3,786,282
24	2037	2,573,785	1,213,303		3,787,088
25	2038	2,573,285	1,210,048		3,783,333
26	2039	2,576,206	1,213,438		3,789,644
	2040	2,576,910	1,211,250	(3,801,034)	(12,874)
	TOTALS	68,556,759	32,723,056	(3,801,034)	97,478,781

If HOT *fails*,  
 Estimated  
 Difference between  
 the *Revenues* and  
 the *Cost* to Finance  
 Ballpark

*Difference in  
 cost to finance  
 with HOT vs  
 cost to finance  
 with Lease  
 Revenues is  
 \$1,274,053*

*No excess revenues to fund  
 debt or offset general fund  
 expenses available*





## Component 3

### Relocation Costs

**(IT relocation improvements,  
records/archiving and moving of  
staff and FF&E)**



# SUMMARY OF RELOCATION

Type of Cost	Estimated Costs
IT Relocation	\$1,820,276*
Records/ Archiving	\$450,000
Moving Costs	\$1,650,000
<i>Totals</i>	<i>\$3,920,276</i>

***Costs Allocated from Unassigned General Fund Balance –  
No Tax Rate Impact for One-Time Use of Funds***

*\*Net of CIP projects already budgeted*





# City Hall Relocation Plan and Related Capital Improvement Plan

	Component	Type of Project	Funded by:	Cost
	Component 1	Capital Improvement Plan Project	Debt funded by COs	\$29,238,924
	Component 2	Capital Improvement Plan Project	Revenue bonds funded by HOT and other applicable revenues	\$52,000,000
	Component 3	General Fund expense	General Fund Unassigned Fund Balance	\$3,920,276

**Combined CIP:**  
**\$81,238,924**



## Agenda Item Related to CIP and Relocation Costs

Discussion and action on a Resolution to authorize the creation of the City of El Paso 2013 City Hall Relocation and Ballpark Capital Improvement Plan (“CIP”) in order to establish the relocation projects and the public sports facility project in the amount of \$81,238,924; to authorize the use of a combination of Certificates of Obligation, revenue bonds, or other allowable sources for the CIP pursuant to the City’s Debt Management Policy and applicable state laws; to authorize the City Manager to allocate funds out of the unassigned general fund balance in the City of El Paso FY2013 Budget in an amount not to exceed \$3,920,276 for Information Technology projects, records and archiving projects, and moving costs related to the relocation of City Hall; and to authorize the City Manager to establish funding sources and execute any and all documents, including budget transfers, necessary for the execution of the CIP and associated relocation costs.