

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: September 23, 2014 WORKSHOP Regular
 Ordinance Public Hearing


Department: Administration

I. EXECUTIVE BRIEF

Motion and Title: Staff requests Board direction regarding: The funding of a two team spring training baseball stadium and ancillary facilities on a 160 acre site currently owned by the City of West Palm Beach south of 45th Street between Haverhill Road and Military Trail.

Summary: The Houston Astros and Washington Nationals (TEAMS) propose to construct a spring training facility, which will also be available for year round organized public sports activity, at an estimated cost of \$140 million. Land cost is not included and the City has not offered to contribute the property. Certain other non-County governmental fees estimated to be \$6 million are also not included and the TEAMS are requesting that such fees be waived if possible, or paid from other sources other the project budget. The capital requirement as proposed by TEAMS would be met by: State (\$31M in bonding), TEAMS rent (\$38M in bonding), County ½ cent bed tax at current level (\$3 million annually which supports \$48M in bonding), and a 3.1% annual escalator of the ½ cent bed tax (\$24M in bonding). The County negotiating position has been and remains that the County's contribution be limited to \$3 million annually and not to pay to, or exchange property with, City for these purposes. In the TEAMS scenario, the basic ½ cent County outlay would be \$ 90M and the escalator portion \$55M for a total of \$145M over 30 years. Having two additional teams in the County would make PBC a Florida tourist center for spring training and would provide the competition needed so that the Cardinals/Marlins (Roger Dean Stadium) could not exercise their early termination option. On the downside, the County's cost for the TEAMS proposal significantly exceeds that which was incurred for Roger Dean and requires bonding for 30 years instead of the original 20 for Roger Dean. While TEAMS have indicated that their project cost cannot be reduced, County has no information to verify the TEAMS cost estimate. The escalator of the ½ cent that is proposed to close the funding gap is speculative and could require drawing funds from other allocations to make up for any shortfall of revenues, takes funds that could be used for future needs including beach enhancement or other presently unidentified attractions. In addition, there are currently unknown costs for the lease extension at Roger Dean Stadium which would also have to funded through the bed tax. As such, staff recommends that the Board commit to contributing the base ½ cent component, but cannot recommend the escalator. Even if County and TEAMS reach a financial arrangement, it would then be necessary to; 1) pursue land acquisition with the City, 2) negotiate development and use agreements with the TEAMS, and 3) negotiate an extension to the use agreement with the Marlins/Cardinals at Roger Dean Stadium so that all four teams would be committed through 2044. Countywide (DW)

- Attachments:** 1 - chronology
 2 - financial discussion
 3 – TEAMS presentation

Recommended by: 
 County Administrator

9/24/14
Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2014	2015	2016	2017	2018
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Debt Service Costs	*	*	*	*	*
External Revenues	_____	_____	_____	_____	_____
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	_____	_____	_____	_____	_____
NO. ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____
Is Item Included In Current Budget?	Yes <input type="checkbox"/>		No <input type="checkbox"/>		
Budget Account No.:	Fund _____	Department _____	Unit _____		
Object _____	Reporting Category _____				

B. Recommended Sources of Funds/Summary of Fiscal Impact:

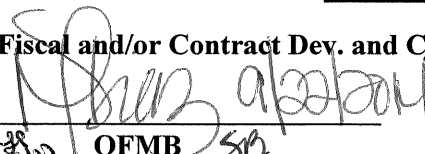
*Fiscal Impact cannot be fully determined until bonds are sold. Debt Service will be funded through Tourist Development Tax (\$3M annually for 30 years), State of Florida (\$2M annually for 25 years), and Teams (\$2.1M annually for 27 years), which will generate approximately \$110M in construction costs. There is currently an estimated construction deficit of \$30M based on the Team's request to fund the stadium at \$140M, and the team is requesting additional tourist development tax to cover the shortfall by escalating the TDT funds 3.1% annually.

A condition precedent to an agreement with the Nationals/Astros for a new Stadium will be an extension to the existing use agreement with Jupiter Stadium Limited ("JSL" Marlins/Cardinals for Roger Dean Stadium) so that the terms of the use agreements are identical. This is also necessary from the County perspective to preclude early termination options in either agreement and to ensure we are not "renegotiating" again in 2027. However, the extension of the use agreement with JSL from 2027 through 2044 will require the County to negotiate the terms of that extension which present a financial risk which is not quantifiable at this time. In addition, the existing use agreement with JSL contains a "More Favorable Terms" provision which also presents an unquantifiable financial risk to the County. Staff had always intended to make the terms of the two use agreements identical for management reasons, the financial impact, which would also be borne by the 1st and 4th cents, is currently unknown and not included in this analysis.

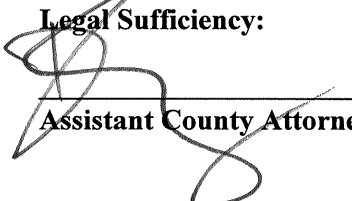
C. Departmental Fiscal Review: _____

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:


 _____ N/A
 OFMB Contract Dev. and Control

B. Legal Sufficiency:



 Assistant County Attorney 9/22/14

C. Other Department Review:

 Department Director

THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.

Background and Policy Issues: Spring training baseball and year round organized public sports activity at Roger Dean Stadium has been a success. Due to southeast Florida losses of spring training teams at other locales such as the Dodgers from Vero Beach and the potential departure of the Nationals from Viera, our current teams could depart in the future due to lack of nearby competition. The addition of new teams locally could make us a significant spring training attraction among baseball fans and enhance our ability to attract larger year round organized national level public sports activities to use our facilities. Our revenue source for this purpose is and has been a portion of ½ cent bed tax (in 1996, ½ cent generated \$2.1M annually and that was Roger Dean commitment). The County share of the TEAM estimated cost of the proposed facility is so much higher that it must raise bona fide debate about going forward, even if the repercussion is loss of our current teams. If the Board doesn't approve this request, it is not a fait accompli that no other alternative will be forthcoming and that we will lose our current teams. There are other possibilities both within and potentially outside of Palm Beach County. The loss of the current teams would be highly undesirable, but it happens as we have experienced with other economic development initiatives.

Our potential partner in these arrangements, the City of West Palm Beach, has indicated that it is not interested in giving up their site without compensation and apparently does not regard the proposed location within the City as being overly attractive to their interests.

The only other site that has been considered a possibility is County owned John Prince Park. Local cities are encouraging this alternative as an economic initiative for the area. This site has not been favored by TEAMS. It is a much smaller site.

Palm Beach Gardens:

- 1) Teams initiate a joint effort with Palm Beach Gardens to locate a stadium on County park land within the City limits
- 2) Palm Beach Gardens wants total control of project so it will pay County for land
- 3) \$2.7 million annually is sought as County bed tax contribution (½ cent of revenue in preceding year)
- 4) County staff conceptually agrees to the preceding
- 5) Estimated cost of the project is \$100 to \$115 million.
- 6) Due to neighborhood objection, Palm Beach Gardens declines to proceed

Alternative sites:

- 1) County and teams review potential site alternatives
- 2) Limited options due to a variety of factors including: minimum size requirements, team desires to be located in proximity to the I 95/Turnpike corridor, cost and development alternatives of potential properties in prime locations.
- 3) John Prince Park and 45th street site seem to be only possibilities in light of criteria.
- 4) Teams favor 45th street due to property size and location.
- 5) John Prince is promoted, and continues to be promoted, by local multi-city group to encourage redevelopment of the area. Remains a possibility though with challenging site issues. The teams are adamant that the size and configuration of the site is inadequate for their needs.

West Palm Beach:

- 1) 160 acre site south of 45th street between Haverhill and Military is selected by the teams. Former landfill owned by West Palm Beach.
- 2) Original team proposal exceeds \$160 million. High cost is attributed by teams to site development costs and quality of proposed facilities.
- 3) In negotiations, County staff limits any County contribution to up to \$3.0 million annually of bed tax and that staff will not support payment for the property.
- 4) West Palm Beach is not enthusiastic about the proposed use and indicates that it thinks it can sell the property for tax generating development for perhaps more than \$10 million. It would accept an exchange for County owned downtown land. County staff rejects any exchange.
- 5) Even with newly established State funding contribution, the project cost far exceeds available funding. The teams re-evaluate their proposal and reduce the estimated cost to \$140 million.
- 6) They propose to close the difference by implementing a ticket surcharge (team contribution) and by asking the County to fund the \$3 million annually plus an annual 3.5% escalator for 30 years.
- 7) There is no change in the West Palm Beach position.
- 8) County staff position remains that it will not recommend more than the \$3.0 million annual amount.
- 9) Tourist Development Council does not approve the 3.5% escalator but refers to staff and teams for more discussion.

TDT 1st & 4th Cent Escalation Factor Minimization Analysis


Palm Beach County Florida
THE BEST OF EVERYTHING.®

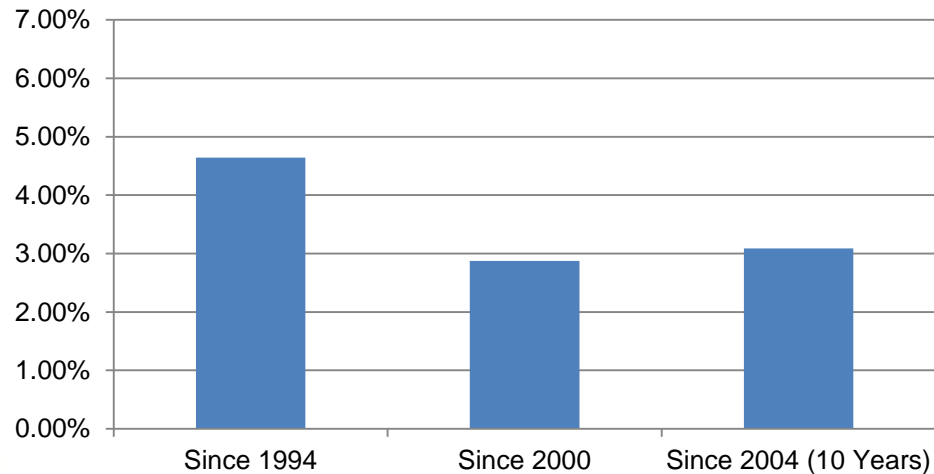


Tourist Development Tax History

Historic TDT Collections

- Tourist Development Tax was levied at 4 cents through 2006 and 5 cents from 2007 to present
- Compounded growth rates over time ranged from just under 3% to over 4%

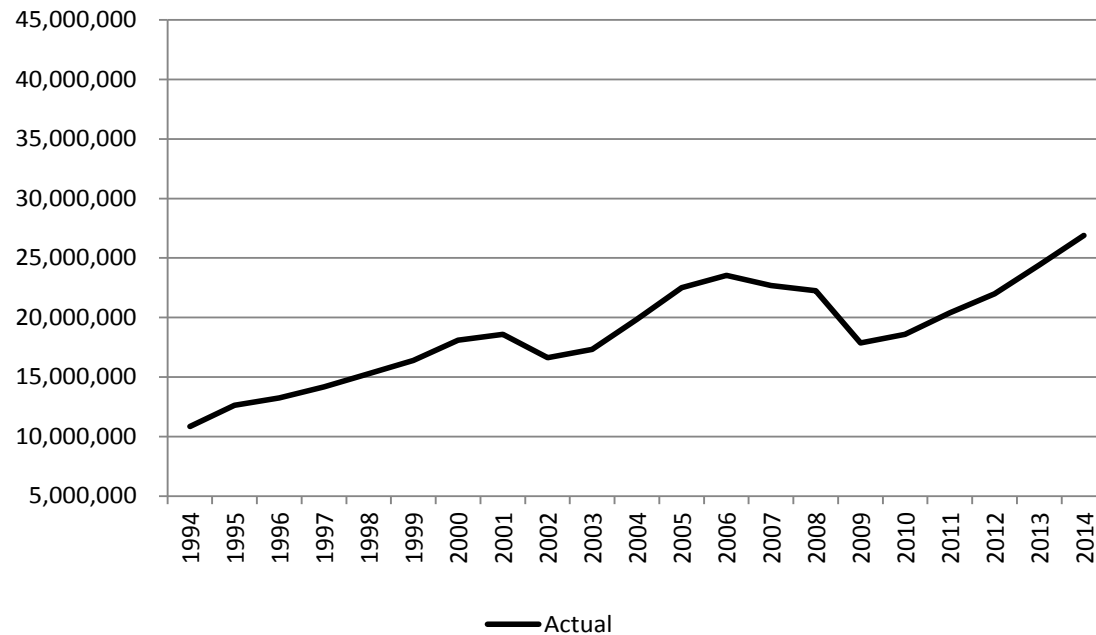
Historic TDT Growth Rate



Historic TDT Collections

- “Compound growth rate” takes into account fluctuations over time
- TDT is one of the most economically sensitive County revenues
- Economic cycles, weather and political events impact collections
 - Note: graphic shows revenue from 4 cents to accurately portray peaks and valleys

Actual Revenue Generated by 4 Cent TDT





Major League Baseball Spring Training

West Palm Beach, Florida

The Cost to Build the Project

CONFIDENTIAL MATERIALS NOT FOR DISTRIBUTION

HKS sports &
entertainment

Washington Nationals & Houston Astros Spring Training Construction Budget

Site Work & Utilities	\$19,571,826
Stadium, Team Complexes & FFE	\$97,532,533
Architectural/Engineering Fees	\$ 8,863,000
Consultants	\$ 3,809,000
Other Soft Costs	\$ 3,829,750
Subtotal	\$133,606,109
<hr/> <u>Contingency (5%)</u>	<hr/> <u>\$6,680,305</u>
Total Construction	\$140,286,414
Rounded	\$140,000,000

Financial Analysis

Sources of Revenue for Project

Analysis Update TDC 1st & 4th Usage Assumptions

		Revenues Available for Debt Service				
	Scenarios	TDT	Team Rent	State	Estimated Total Debt Service (millions)	Proceeds for Construction (millions)
Base Case	No Escalation	\$3 million per year	\$2.1 million for 27 years	\$2 million for 25 years	192.4	109.8
Teams Updated Request	Base - 3.1% Escalation	Base \$3 million - Esc at 3.1%	Average \$2.457 million for 28 years	same	263.8	140.2

* All debt service and proceeds based on current market conditions.

Financial Analysis

\$142,260,000

REQUEST

A 3.1% Growth Factor on \$3M of Current TDC

\$24,210,000 bonding capacity

PALM BEACH COUNTY

Current TDC \$3M for 30yrs @ 4.28%

\$48,220,000 bonding capacity

STATE OF FLORIDA

Florida Statutes \$2.0M for 25yrs @ 4.14%

\$31,365,000 bonding capacity

ANNUAL RENT PAID BY THE TWO TEAMS

Rent \$2.2M for 8 yrs - \$2.5 M for 12 yrs - \$2.65 M for 8 yrs @ 4.32%

\$38,465,000 bonding capacity

1st & 4th Cent Committed Expenses

FY	CONVENTION CENTER OPERATING LOSS	CONVENTION CENTER	ROGER DEAN STADIUM (1)	CONVENTION CENTER PARKING GARAGE (2)	TOTAL DEBT SERVICE	CONVENTION CENTER R&R (3)	ROGER DEAN STADIUM R&R (4)	NEW STADIUM R&R	CONVENTION CENTER PARKING GARAGE R&R	TOTAL R&R (3&4)	SUBTOTAL COMMITTED ITEMS
2014	900,000	6,042,938	2,164,966		8,207,904					-	9,107,904
2015	900,000	6,044,359	2,146,625	389,483	8,580,467					-	9,480,467
2016	900,000	5,698,125		3,584,300	9,282,425	1,394,631				1,394,631	11,577,056
2017	900,000	5,698,500		4,202,600	9,901,100	844,367				844,367	11,645,467
2018	900,000	5,701,875	-	4,194,250	9,896,125	3,352,018			25,000	3,377,018	14,173,143
2019	900,000	5,698,000	-	4,194,850	9,892,850	527,119	322,000	1,113,000	25,000	1,987,119	12,779,969
2020	900,000	5,701,500	-	4,193,650	9,895,150	1,355,245	322,000	1,113,000	25,000	2,815,245	13,610,395
2021	900,000	5,697,000	-	4,190,650	9,887,650	1,255,521	322,000	1,113,000	50,000	2,740,521	13,528,171
2022	900,000	5,699,125	-	4,179,800	9,878,925	1,998,822	322,000	1,113,000	50,000	3,483,822	14,262,747
2023	900,000	5,697,375	-	4,180,200	9,877,575	1,559,050	322,000	1,113,000	50,000	3,044,050	13,821,625
2024	900,000	5,701,250	-	4,177,000	9,878,250	3,234,650	322,000	1,113,000	50,000	4,719,650	15,497,900
2025	900,000	5,700,250	-	4,162,750	9,863,000	1,236,000	322,000	1,113,000	50,000	2,721,000	13,484,000
2026	900,000	5,699,000	-	4,161,125	9,860,125	1,236,000	322,000	250,000	50,000	1,858,000	12,618,125
2027	900,000	5,697,000	-	4,158,125	9,855,125	1,236,000	322,000	250,000	50,000	1,858,000	12,613,125
2028	900,000	5,698,625	-	4,153,500	9,852,125	1,236,000	322,000	250,000	233,000	2,041,000	12,793,125
2029	900,000	5,698,250	-	4,147,000	9,845,250	1,236,000	322,000	250,000	233,000	2,041,000	12,786,250
2030	900,000	5,700,250	-	4,143,250	9,843,500	1,236,000	322,000	250,000	233,000	2,041,000	12,784,500
2031	900,000	5,699,000	-	4,141,750	9,840,750	1,236,000	322,000	250,000	233,000	2,041,000	12,781,750
2032	900,000	-	-	4,137,125	4,137,125	1,236,000	322,000	250,000	233,000	2,041,000	7,078,125
2033	900,000	-	-	4,134,000	4,134,000	1,236,000	322,000	2,190,285	233,000	3,981,285	9,015,285
2034	900,000	-	-	4,127,000	4,127,000	1,236,000	322,000	2,190,285	233,000	3,981,285	9,008,285
2035	900,000	-	-	4,125,625	4,125,625	1,236,000	322,000	2,190,285	233,000	3,981,285	9,006,910
2036	900,000	-	-	-	-	1,236,000	322,000	2,190,285	233,000	3,981,285	4,881,285
2037	900,000	-	-	-	-	1,236,000	322,000	2,190,285	233,000	3,981,285	4,881,285
2038	900,000	-	-	-	-	1,236,000	322,000	1,558,000	233,000	3,349,000	4,249,000
2039	900,000	-	-	-	-	1,236,000	450,000	1,558,000	233,000	3,477,000	4,377,000
2040	900,000	-	-	-	-	1,236,000	450,000	1,558,000	233,000	3,477,000	4,377,000
2041	900,000	-	-	-	-	1,236,000	450,000	1,558,000	233,000	3,477,000	4,377,000
2042	900,000	-	-	-	-	1,236,000	450,000	1,558,000	233,000	3,477,000	4,377,000
2043	900,000	-	-	-	-	1,236,000	450,000	1,558,000	233,000	3,477,000	4,377,000
2044	900,000	-	-	-	-	1,236,000	450,000	1,558,000	233,000	3,477,000	4,377,000
	\$ 27,900,000	\$103,272,422	\$ 4,311,591	\$ 83,078,033	\$190,662,046	\$ 40,241,423	\$ 9,140,000	\$ 31,398,425	\$ 4,336,000	\$ 85,165,848	\$303,727,894

Revenue Growth 3.5%/ No Escalation

Base Case

FY	COMMITTED ITEMS (1)	Percentage Increase of:	AVAILABLE FUNDS	CONVENTION CENTER EXPANSION (2)	Growth Rate of:	TOTAL CAPITAL ITEMS	AVAILABLE FUNDS LESS CAPITAL ITEMS	CUMULATIVE
		3.50%			0.00%			
2014	9,107,904	13,430,426	4,322,522				4,322,522	4,322,522
2015	9,480,467	13,717,348	4,236,881		3,000,000	3,000,000	1,236,881	5,559,403
2016	11,577,056	14,197,455	2,620,399		3,000,000	3,000,000	(379,601)	5,179,802
2017	11,645,467	14,694,366	3,048,899		3,000,000	3,000,000	48,899	5,228,701
2018	14,173,143	15,208,669	1,035,526		3,000,000	3,000,000	(1,964,474)	3,264,227
2019	12,779,969	15,740,972	2,961,003		3,000,000	3,000,000	(38,997)	3,225,230
2020	13,610,395	16,291,906	2,681,511		3,000,000	3,000,000	(318,489)	2,906,742
2021	13,528,171	16,862,123	3,333,952		3,000,000	3,000,000	333,952	3,240,694
2022	14,262,747	17,452,297	3,189,550		3,000,000	3,000,000	189,550	3,430,244
2023	13,821,625	18,063,128	4,241,503		3,000,000	3,000,000	1,241,503	4,671,747
2024	15,497,900	18,695,337	3,197,437		3,000,000	3,000,000	197,437	4,869,184
2025	13,484,000	19,349,674	5,865,674		3,000,000	3,000,000	2,865,674	7,734,858
2026	12,618,125	20,026,913	7,408,788	7,259,500	3,000,000	10,259,500	(2,850,712)	4,884,146
2027	12,613,125	20,727,855	8,114,730	7,261,000	3,000,000	10,261,000	(2,146,270)	2,737,876
2028	12,793,125	21,453,330	8,660,205	7,260,750	3,000,000	10,260,750	(1,600,545)	1,137,330
2029	12,786,250	22,204,196	9,417,946	7,258,500	3,000,000	10,258,500	(840,554)	296,776
2030	12,784,500	22,981,343	10,196,843	7,259,000	3,000,000	10,259,000	(62,157)	234,619
2031	12,781,750	23,785,690	11,003,940	7,336,750	3,000,000	10,336,750	667,190	901,809
2032	7,078,125	24,618,189	17,540,064	7,336,250	3,000,000	10,336,250	7,203,814	8,105,623
2033	9,015,285	25,479,826	16,464,541	7,337,250	3,000,000	10,337,250	6,127,291	14,232,914
2034	9,008,285	26,371,620	17,363,335	7,334,250	3,000,000	10,334,250	7,029,085	21,261,998
2035	9,006,910	27,294,626	18,287,716	7,332,000	3,000,000	10,332,000	7,955,716	29,217,715
2036	4,881,285	28,249,938	23,368,653	7,460,000	3,000,000	10,460,000	12,908,653	42,126,368
2037	4,881,285	29,238,686	24,357,401	7,457,500	3,000,000	10,457,500	13,899,901	56,026,269
2038	4,249,000	30,262,040	26,013,040	7,459,250	3,000,000	10,459,250	15,553,790	71,580,059
2039	4,377,000	31,321,211	26,944,211	7,459,500	3,000,000	10,459,500	16,484,711	88,064,770
2040	4,377,000	32,417,454	28,040,454	7,457,750	3,000,000	10,457,750	17,582,704	105,647,474
2041	4,377,000	33,552,065	29,175,065	7,583,500	3,000,000	10,583,500	18,591,565	124,239,039
2042	4,377,000	34,726,387	30,349,387	7,586,000	3,000,000	10,586,000	19,763,387	144,002,426
2043	4,377,000	35,941,811	31,564,811	7,584,500	3,000,000	10,584,500	20,980,311	164,982,737
2044	4,377,000	37,199,774	32,822,774	7,583,500	3,000,000	10,583,500	22,239,274	187,222,011
	\$303,727,894	\$ 721,556,655	\$417,828,761	\$140,606,750	\$ 90,000,000	\$230,606,750	\$187,222,011	

(1) Includes Convention Center, Roger Dean, & Convention Center Parking Garage - debt service and R&R

(2) These are estimated project costs of \$90M based only on square footage unit costs with no programming information.

Revenue Growth 3.5%/ 3.1% Escalation

Updated Teams

Request

FY	COMMITTED ITEMS (1)	INCREASE IN REVENUES	AVAILABLE FUNDS	CONVENTION CENTER EXPANSION (2)	NEW BASEBALL STADIUM	TOTAL CAPITAL ITEMS	AVAILABLE FUNDS LESS CAPITAL ITEMS	CUMULATIVE
2014	9,107,904	13,430,426	4,322,522				4,322,522	4,322,522
2015	9,480,467	13,717,348	4,236,881		3,000,000	3,000,000	1,236,881	5,559,403
2016	11,577,056	14,197,455	2,620,399		3,093,000	3,093,000	(472,601)	5,086,802
2017	11,645,467	14,694,366	3,048,899		3,188,883	3,188,883	(139,984)	4,946,818
2018	14,173,143	15,208,669	1,035,526		3,287,738	3,287,738	(2,252,212)	2,694,606
2019	12,779,969	15,740,972	2,961,003		3,389,658	3,389,658	(428,655)	2,265,951
2020	13,610,395	16,291,906	2,681,511		3,494,738	3,494,738	(813,226)	1,452,724
2021	13,528,171	16,862,123	3,333,952		3,603,075	3,603,075	(269,122)	1,183,602
2022	14,262,747	17,452,297	3,189,550		3,714,770	3,714,770	(525,219)	658,382
2023	13,821,625	18,063,128	4,241,503		3,829,928	3,829,928	411,575	1,069,957
2024	15,497,900	18,695,337	3,197,437		3,948,655	3,948,655	(751,218)	318,739
2025	13,484,000	19,349,674	5,865,674		4,071,064	4,071,064	1,794,610	2,113,350
2026	12,618,125	20,026,913	7,408,788	7,259,500	4,197,267	11,456,767	(4,047,979)	(1,934,629)
2027	12,613,125	20,727,855	8,114,730	7,261,000	4,327,382	11,588,382	(3,473,652)	(5,408,282)
2028	12,793,125	21,453,330	8,660,205	7,260,750	4,461,531	11,722,281	(3,062,076)	(8,470,358)
2029	12,786,250	22,204,196	9,417,946	7,258,500	4,599,838	11,858,338	(2,440,392)	(10,910,751)
2030	12,784,500	22,981,343	10,196,843	7,259,000	4,742,433	12,001,433	(1,804,590)	(12,715,341)
2031	12,781,750	23,785,690	11,003,940	7,336,750	4,889,449	12,226,199	(1,222,259)	(13,937,600)
2032	7,078,125	24,618,189	17,540,064	7,336,250	5,041,022	12,377,272	5,162,792	(8,774,807)
2033	9,015,285	25,479,826	16,464,541	7,337,250	5,197,293	12,534,543	3,929,997	(4,844,810)
2034	9,008,285	26,371,620	17,363,335	7,334,250	5,358,409	12,692,659	4,670,675	(174,135)
2035	9,006,910	27,294,626	18,287,716	7,332,000	5,524,520	12,856,520	5,431,196	5,257,061
2036	4,881,285	28,249,938	23,368,653	7,460,000	5,695,780	13,155,780	10,212,873	15,469,934
2037	4,881,285	29,238,686	24,357,401	7,457,500	5,872,349	13,329,849	11,027,552	26,497,486
2038	4,249,000	30,262,040	26,013,040	7,459,250	6,054,392	13,513,642	12,499,398	38,996,884
2039	4,377,000	31,321,211	26,944,211	7,459,500	6,242,078	13,701,578	13,242,633	52,239,517
2040	4,377,000	32,417,454	28,040,454	7,457,750	6,435,583	13,893,333	14,147,121	66,386,638
2041	4,377,000	33,552,065	29,175,065	7,583,500	6,635,086	14,218,586	14,956,479	81,343,117
2042	4,377,000	34,726,387	30,349,387	7,586,000	6,840,774	14,426,774	15,922,613	97,265,730
2043	4,377,000	35,941,811	31,564,811	7,584,500	7,052,838	14,637,338	16,927,473	114,193,203
2044	4,377,000	37,199,774	32,822,774	7,583,500	7,271,476	14,854,976	17,967,798	132,161,001
	\$303,727,894	\$ 721,556,655	\$417,828,761	\$140,606,750	\$145,061,009	\$285,667,759	\$132,161,001	

(1) Includes Convention Center, Roger Dean, & Convention Center Parking Garage - debt service and R&R

(2) These are estimated project costs of \$90M based only on square footage unit costs with no programming information.

Revenue Growth 3.5%/ 3.1% Escalation

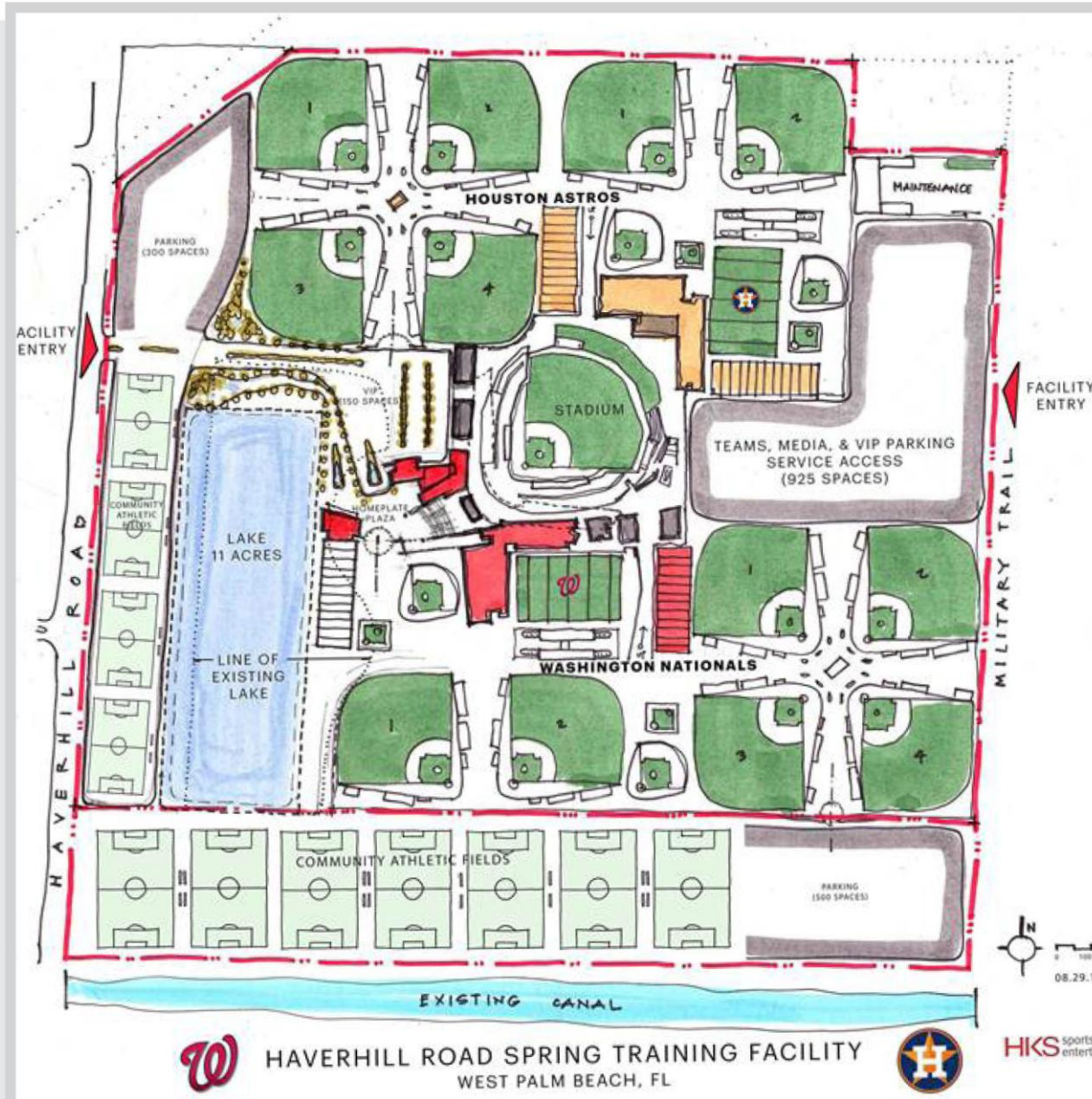
Lost \$ Marketing & Grants by Risk to Agencies Budgets

Allocation	52.47%	22.51%	7.00%	3.92%	14.10%	100.00%	
	Discover	Culture	Sports	Film & TV	Beaches	Total	Projected Value of 3 Cents
FY							
2014							
2015							
2016							
2017							
2018							
2019							
2020							
2021							
2022							
2023							
2024							
2025							
2026	(1,015,100)	(435,485)	(135,424)	(75,837)	(272,783)	(1,934,629)	30,040,369
2027	(2,837,726)	(1,217,404)	(378,580)	(212,005)	(762,568)	(5,408,282)	31,091,782
2028	(4,444,397)	(1,906,678)	(592,925)	(332,038)	(1,194,321)	(8,470,358)	32,179,994
2029	(5,724,871)	(2,456,010)	(763,753)	(427,701)	(1,538,416)	(10,910,751)	33,306,294
2030	(6,671,739)	(2,862,223)	(890,074)	(498,441)	(1,792,863)	(12,715,341)	34,472,014
2031	(7,313,059)	(3,137,354)	(975,632)	(546,354)	(1,965,202)	(13,937,600)	35,678,535
2032	(4,604,141)	(1,975,209)	(614,237)	(343,972)	(1,237,248)	(8,774,807)	36,927,284
2033	(2,542,072)	(1,090,567)	(339,137)	(189,917)	(683,118)	(4,844,810)	38,219,739
2034	(91,369)	(39,198)	(12,189)	(6,826)	(24,553)	(174,135)	39,557,429
2035							
2036							
2037							
2038							
2039							
2040							
2041							
2042							
2043							
2044							
	\$(35,244,473)	\$(15,120,127)	\$(4,701,950)	\$(2,633,092)	\$(9,471,071)	\$(67,170,713)	\$ 311,473,440

Updated
Teams
Request

Board Comments & Direction









September 4, 2014

Mr. George Linley
 Palm Beach County Sports Commission
 Executive Director
 1555 Palm Beach Lakes Blvd. Suite 930
 West Palm Beach, FL 33401

Dear Mr. Linley,

I have been following recent developments regarding the proposed new facility for the Astros and Nationals in West Palm Beach.

The Cardinals would again like to go on record as supporting this project. As you know, one of the biggest challenges we face in securing the Cardinals on the east coast of Florida for the long-term is simply having enough teams to play within a reasonable distance from our location in Jupiter.

A new facility that would include the Astros and Nationals would go a long way towards solving the "activity decline" problem on the Florida east coast that the Cardinals, Marlins, and Mets are currently facing.

If you would like to discuss this issue in more detail, I can be reached at (314) 345-9345 or bdewitt@cardinals.com.

Thanks for considering our support of this worthy project, and for your ongoing efforts to promote all sporting events in the region.

Sincerely,

William O. DeWitt III
 President

cc: Giles Kibbe



September 3, 2014

Mr. George Linley, Executive Director
 Palm Beach County Sports Commission
 1555 Palm Beach Lakes Blvd., Suite 930
 West Palm Beach, FL 33401

Dear Mr. Linley:

I have been in touch with Giles Kibbe, General Counsel of the Houston Astros. He has told me that Palm Beach County is looking to help finance a new Spring Training facility in West Palm Beach.

On behalf of Jeffrey Loria, Owner and CEO, I would like to officially support this project. Continuing the long standing tradition of Spring Training baseball on the east coast of Florida requires that enough teams play within a reasonable distance from our location in Jupiter.

A new facility that would include the Astros and Nationals would go a long way toward solving this potential issue.

If you would like to discuss this in more detail, I can be reached at 305-480-1305 or d.samson@marlins.com.

Thank you very much for your consideration.

Regards,

David P. Samson

DPS/bm

Annual, Ongoing Economic Output Impacts in Palm Beach County		
Description	Low Scenario	High Scenario
Total Economic Output	\$92,068,255	\$128,604,125
Direct Output	\$55,104,625	\$76,868,858
Indirect Output	\$17,413,545	\$24,374,539
Induced Output	\$19,550,085	\$27,360,730

Source: Tourism Economics (2014)

Description	Per-Attendee Spending	Attendance (Low Estimate)	Attendance (High Estimate)	Total Spending (Low Estimate)	Total Spending (High Estimate)
Out-of State	\$515	94,400	129,800	\$48,616,000	\$66,847,000
In-State		65,600	90,200	\$888,624	\$1,221,858
Palm Beach County	NA	38,672	53,174	NA	NA
Outside Palm Beach County	\$33	26,928	37,026	\$888,624	\$1,221,858
Total		160,000	220,000	\$49,504,624	\$68,068,858

Source: Tourism Economics (2014)

Annual, Ongoing Employment Impacts in Palm Beach County		
Description	Low Scenario	High Scenario
Total Jobs	1,007	1,422
Direct Jobs	707	999
Indirect Jobs	143	202
Induced Jobs	157	221

Source: Tourism Economics (2014)



BASEBALL'S GREAT EXPERIMENT

Sports Illustrated

JUNE 30, 2014 | SI.COM

HOPE BEYOND THE HEARTBREAK
U.S. SOCCER'S MOMENT
BY GRANT WAHL
P. 48

An Unprecedented Look
At How a Franchise Is
Going Beyond Moneyball
To Build the Game's
NEXT BIG THING...

YOUR 2017 WORLD SERIES CHAMPS

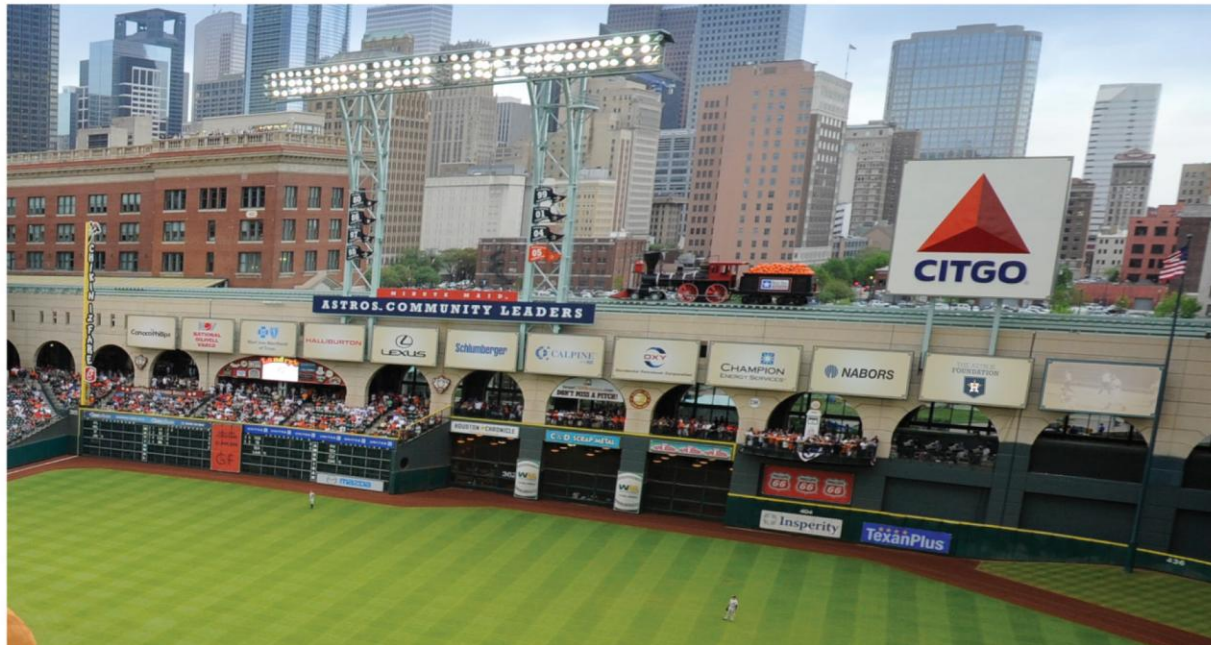
BY BEN REITER
P. 30

THE ASTROS'
**GEORGE
SPRINGER**

The Astros are headed for a fourth straight last-place finish, but a front office that has seamlessly woven old-fashioned scouting (Nolan Ryan!) with modern metrics (a director of decision sciences!) is hoarding young championship-caliber talent.

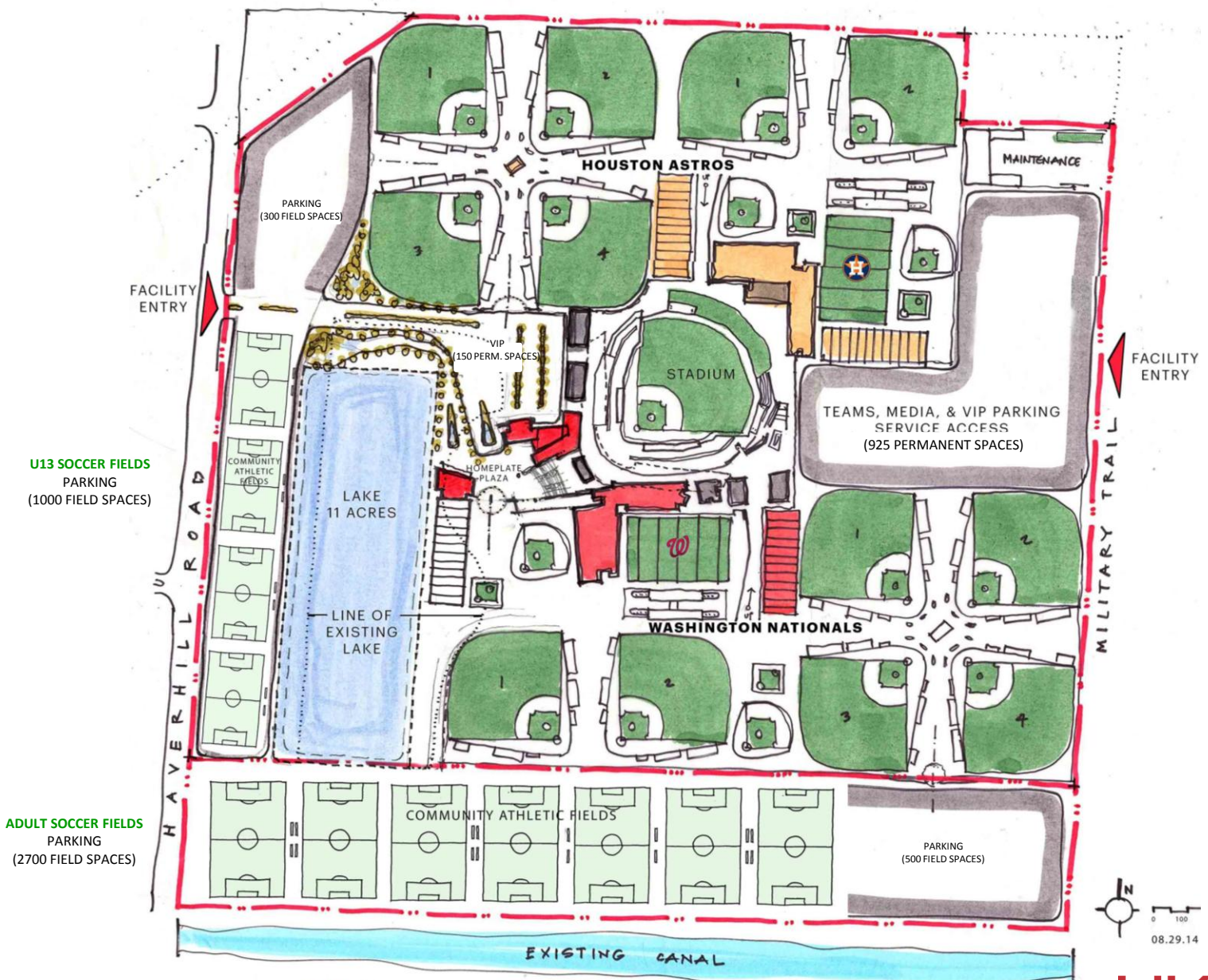
BY THE NUMBERS...

- \$18 million over 5 years
- Serving over 15,000 inner-city youth
- 18 fields renovated
- 11 local corporate partners





GRASS
BRUSH
MIX
→



HAVERHILL ROAD SPRING TRAINING FACILITY
WEST PALM BEACH, FL

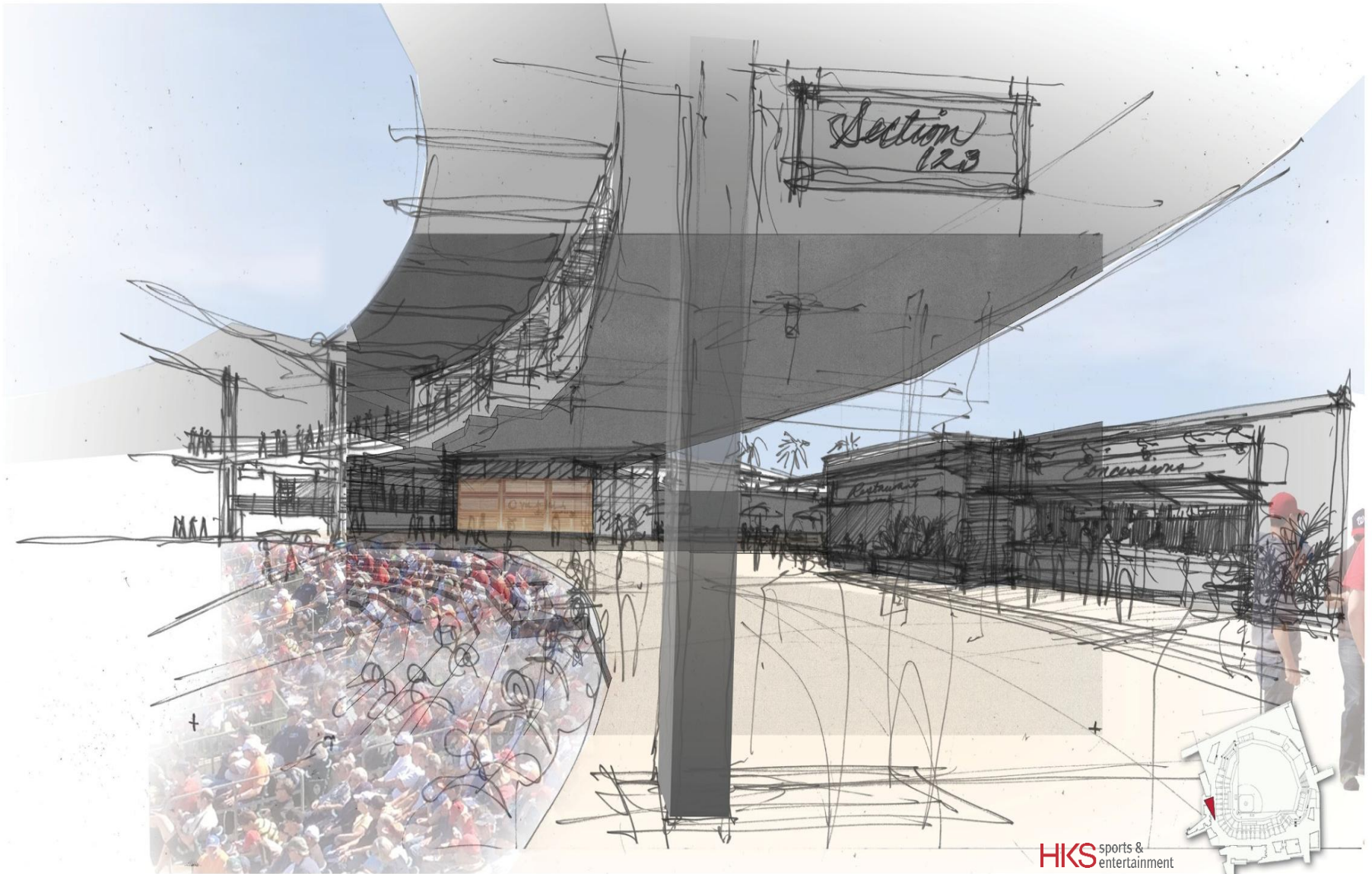


HKS sports & entertainment

08.29.14



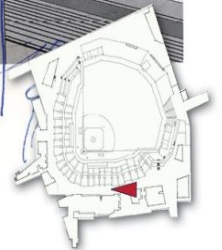
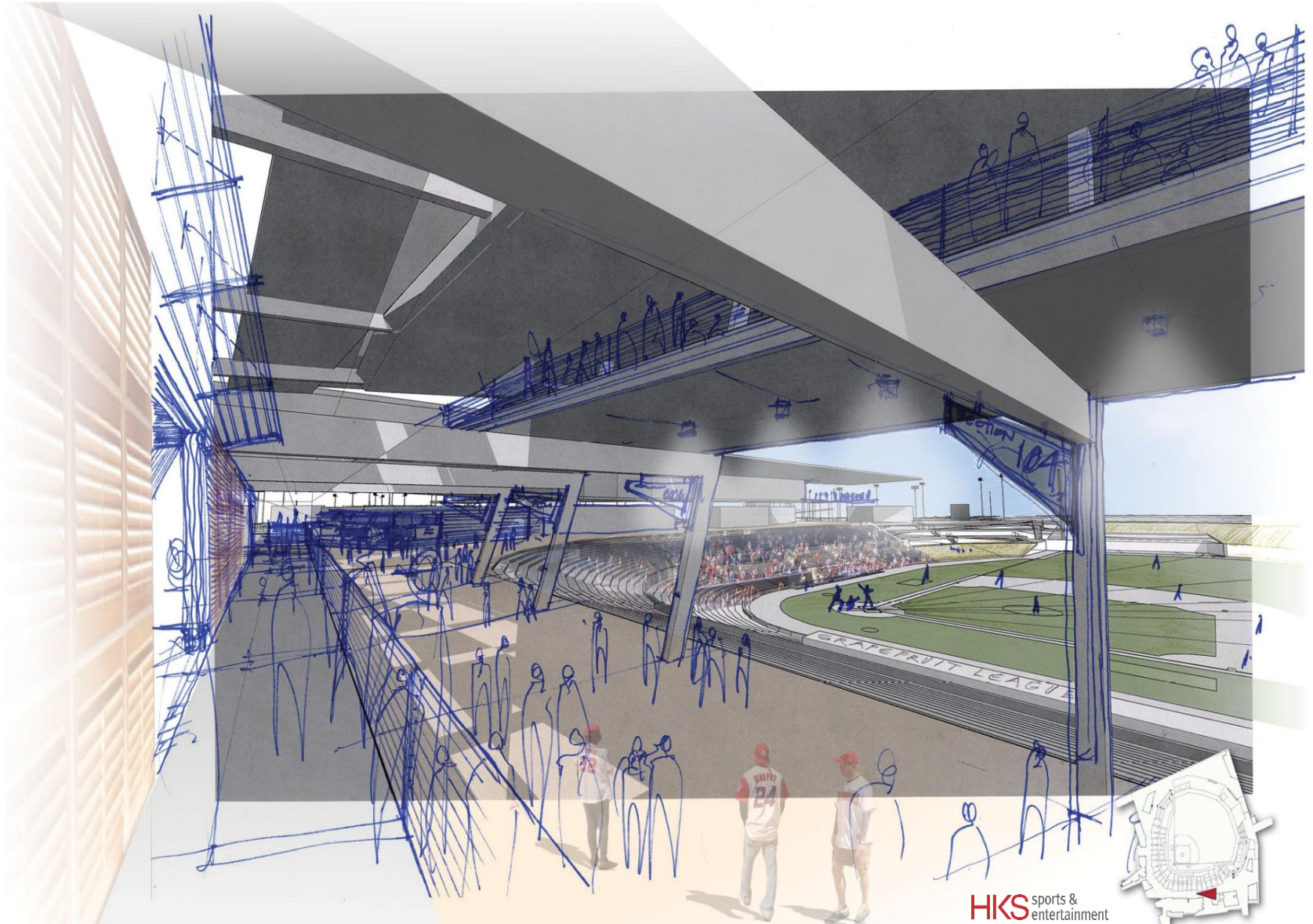


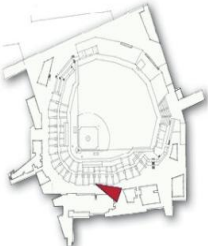
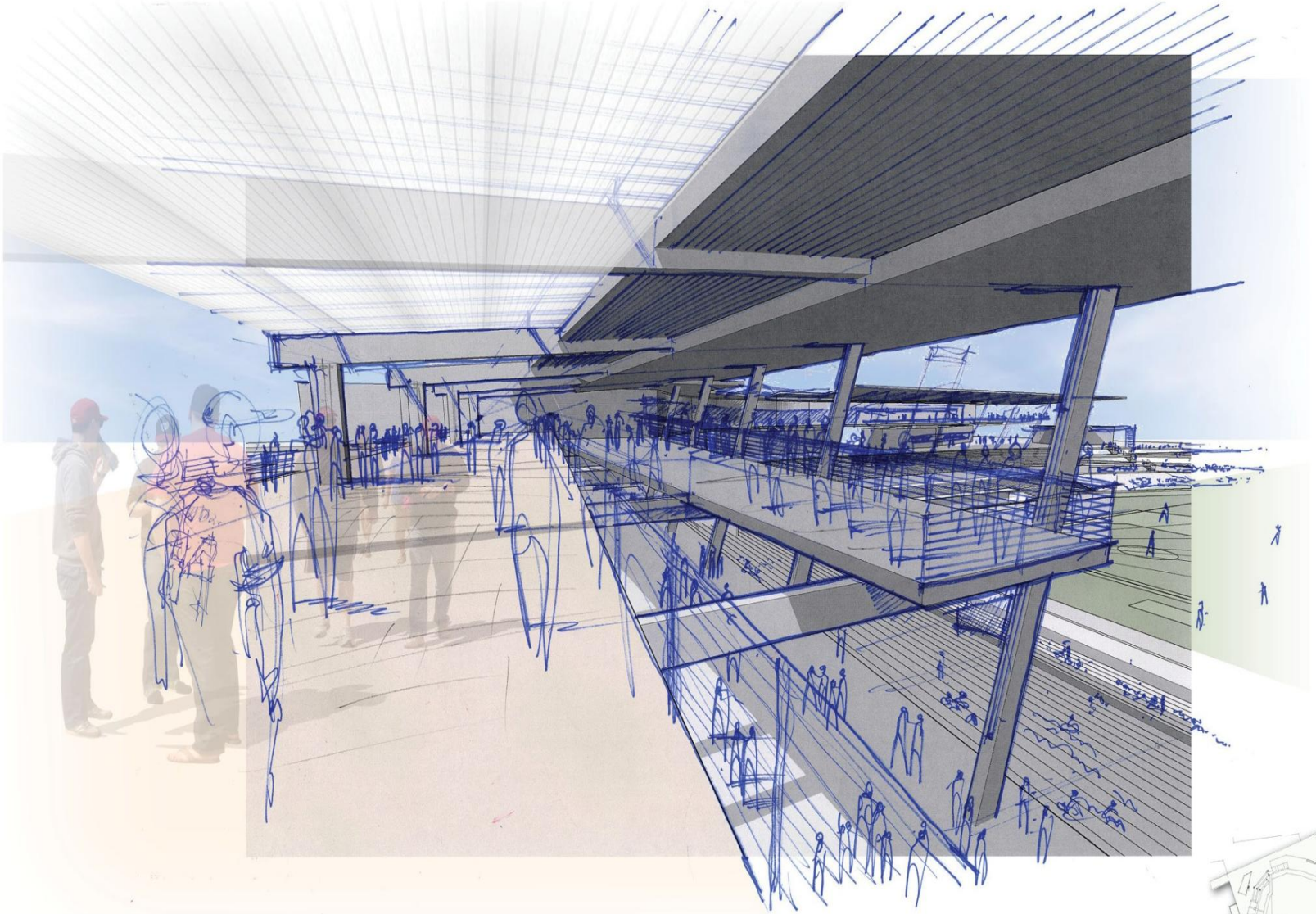


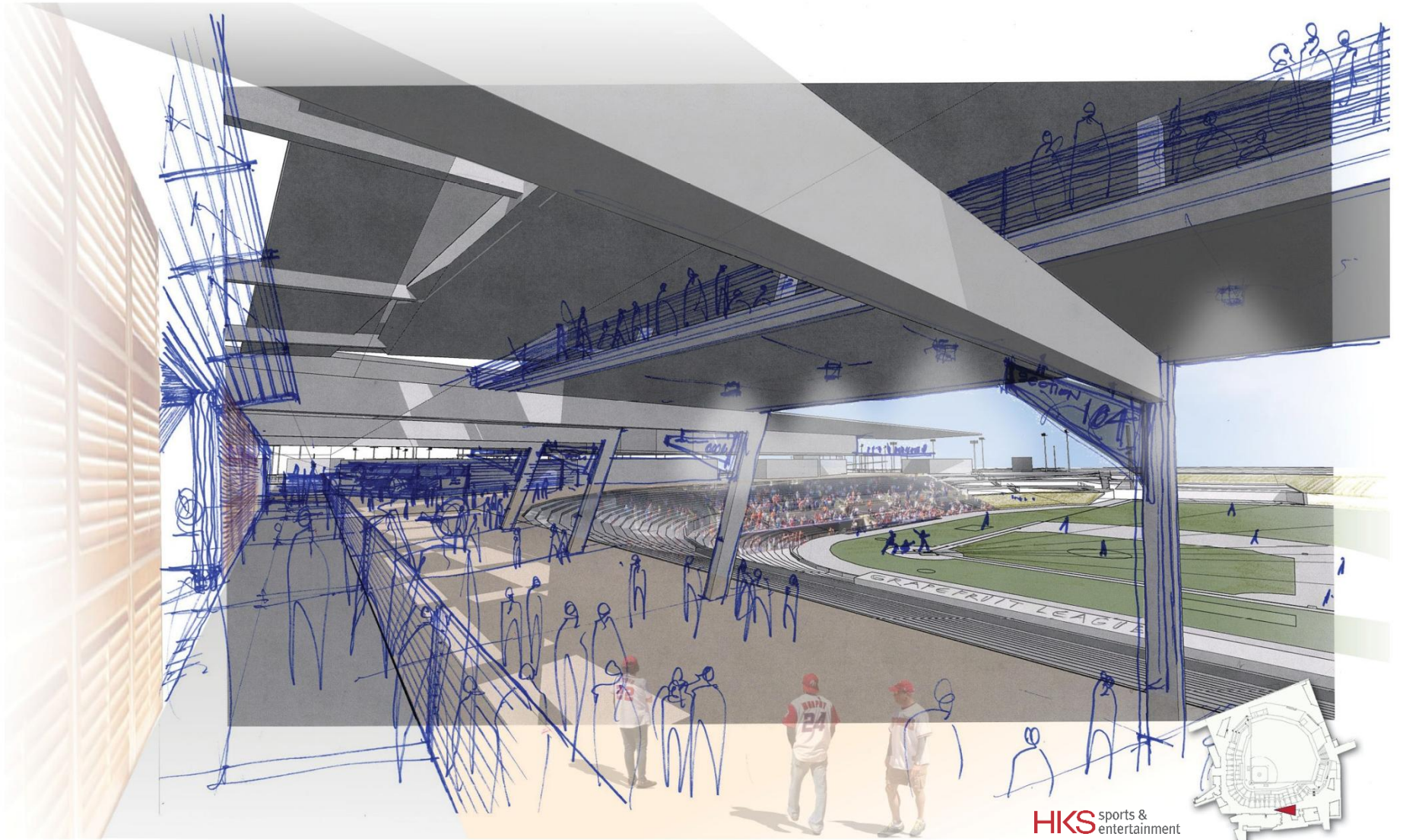
Section
123

Restaurant

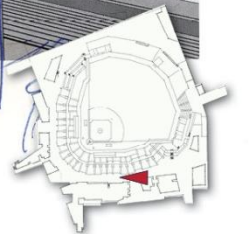


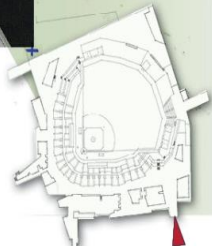
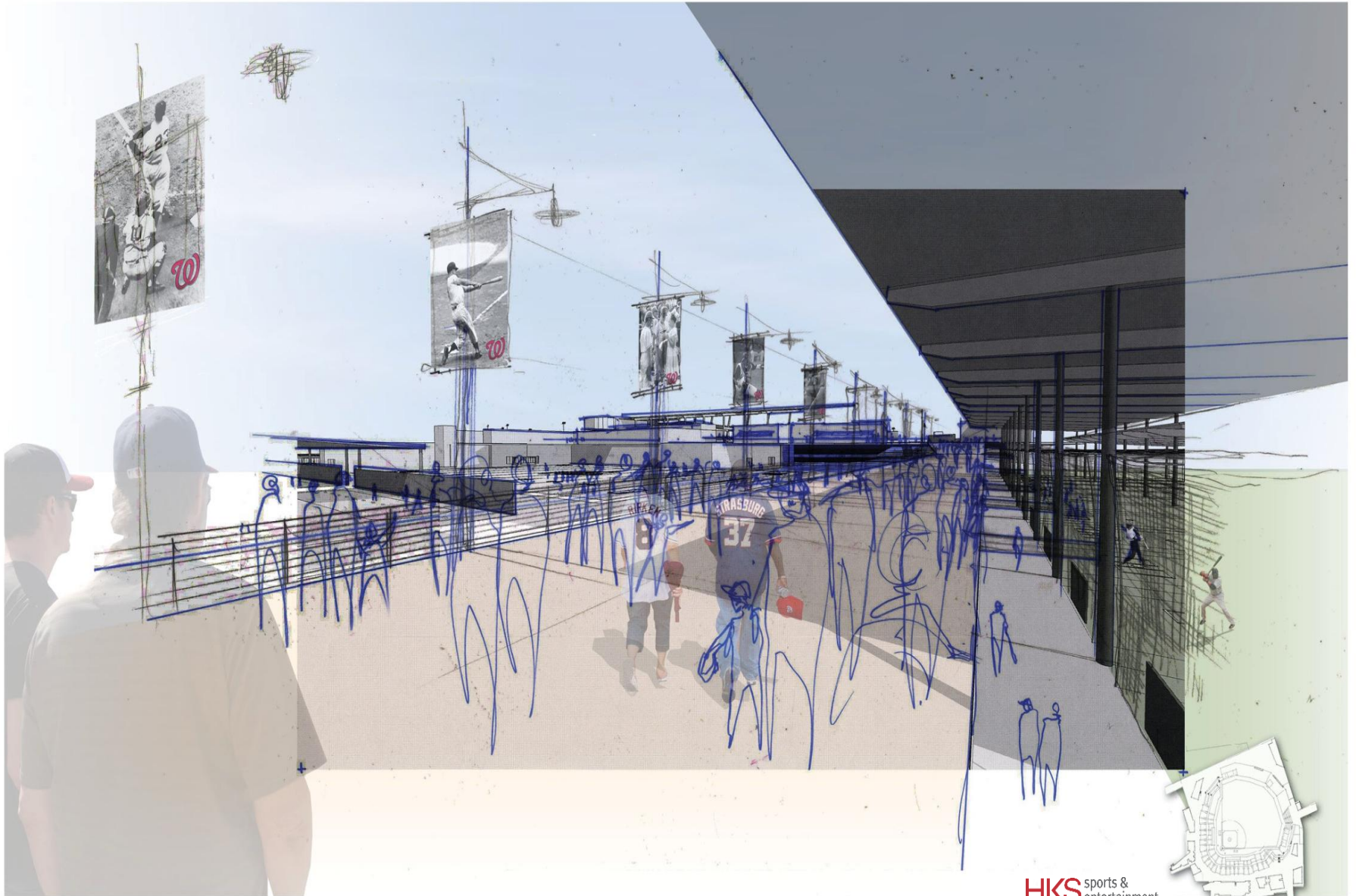


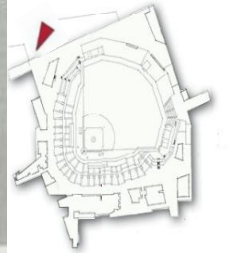


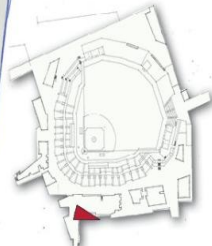
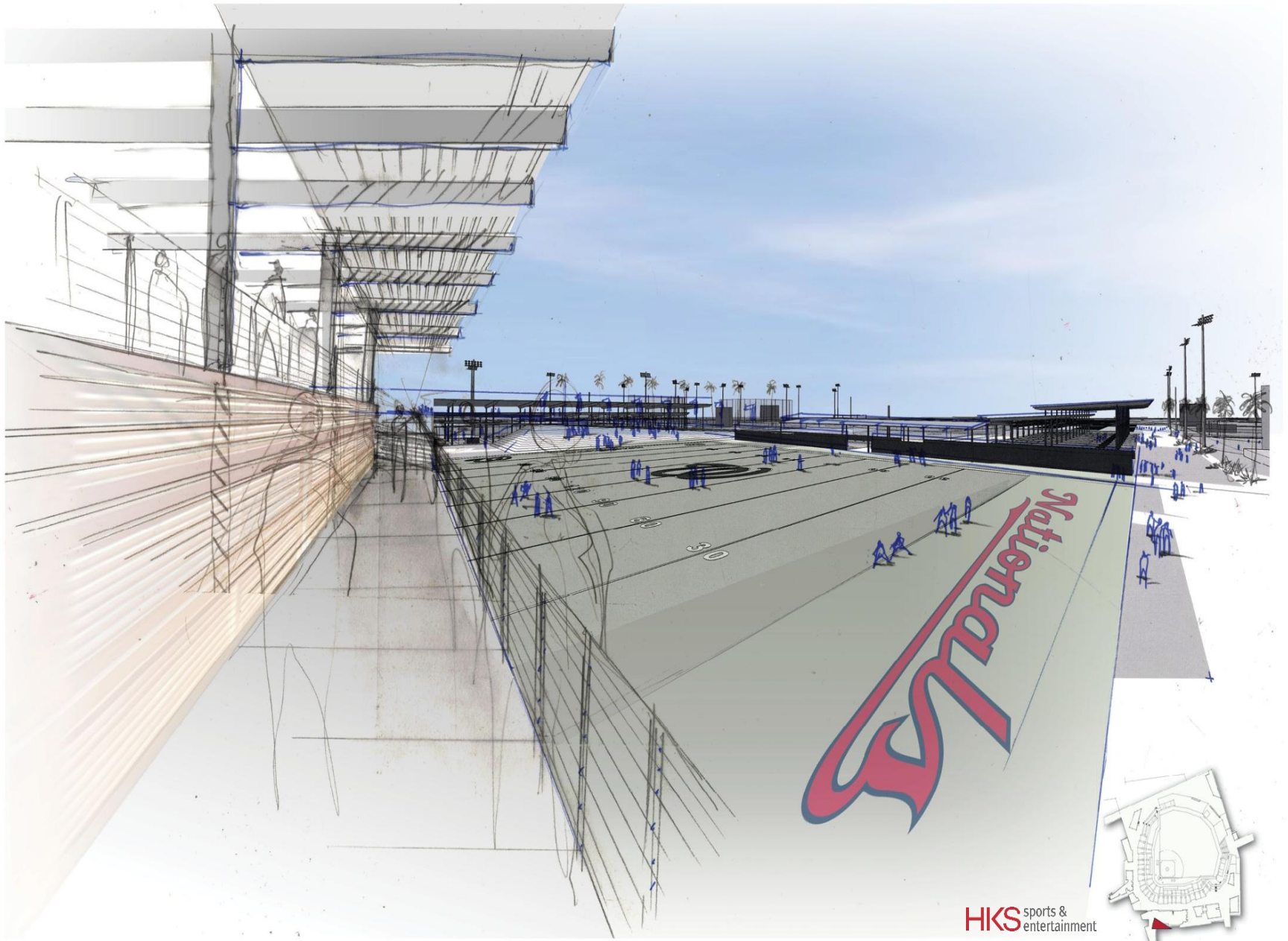


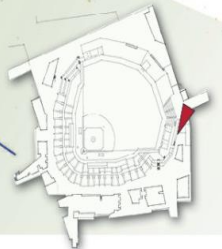
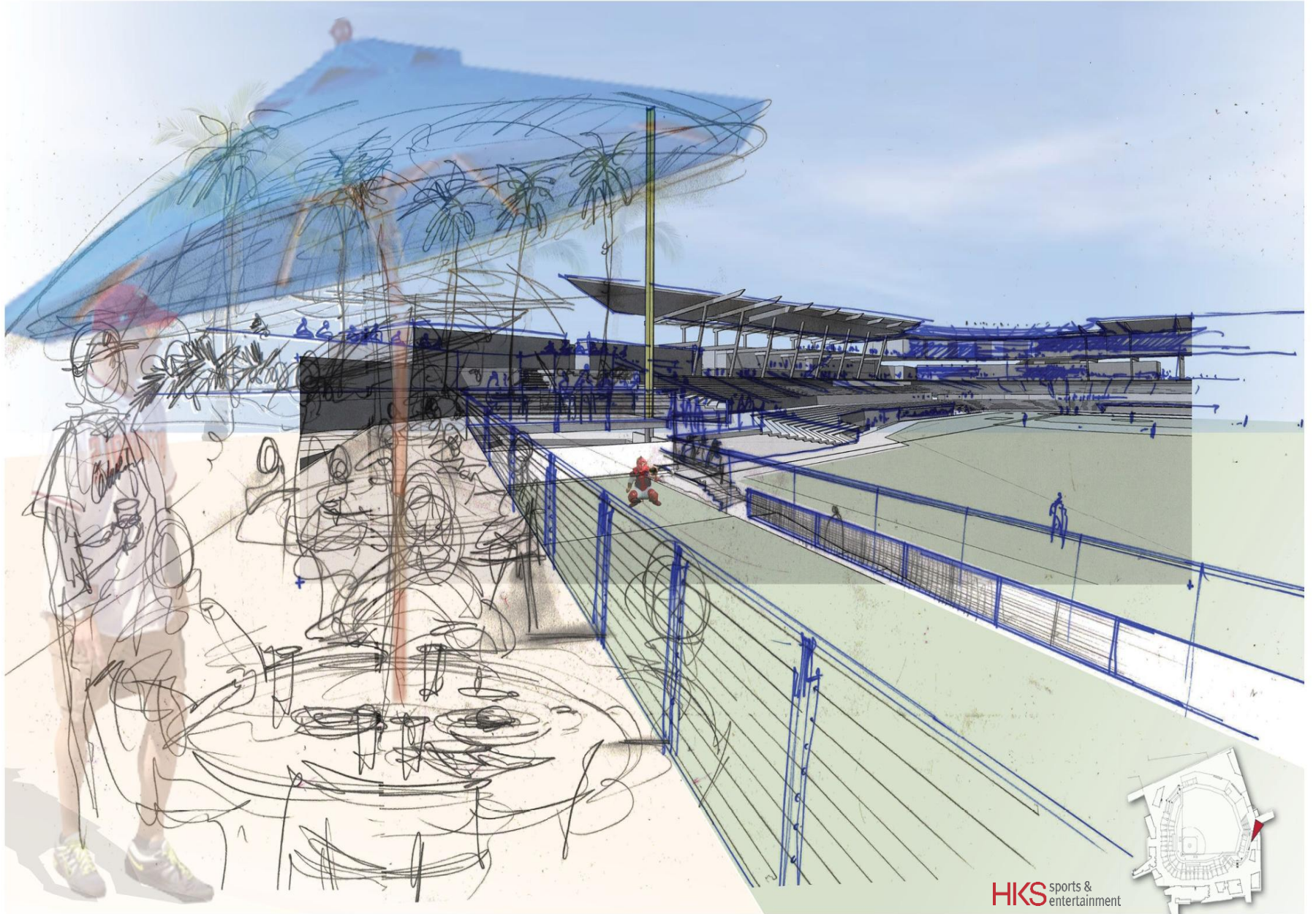
HKS sports & entertainment











Washington Nationals & Houston Astros Spring Training Construction Budget

Site Work & Utilities	\$19,571,826
Stadium, Team Complexes & FFE	\$97,532,533
Architectural/Engineering Fees	\$ 8,863,000
Consultants	\$ 3,809,000
Other Soft Costs	\$ 3,829,750
Subtotal	\$133,606,109
<hr/>	
<u>Contingency (5%)</u>	<u>\$6,680,305</u>
Total Construction	\$140,286,414
Rounded	\$140,000,000

Financial Analysis

\$142,260,000

REQUEST

A 3.1% Growth Factor on \$3M of Current TDC

\$24,210,000 bonding capacity

PALM BEACH COUNTY

Current TDC \$3M for 30yrs @ 4.28%

\$48,220,000 bonding capacity

STATE OF FLORIDA

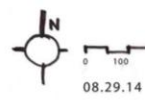
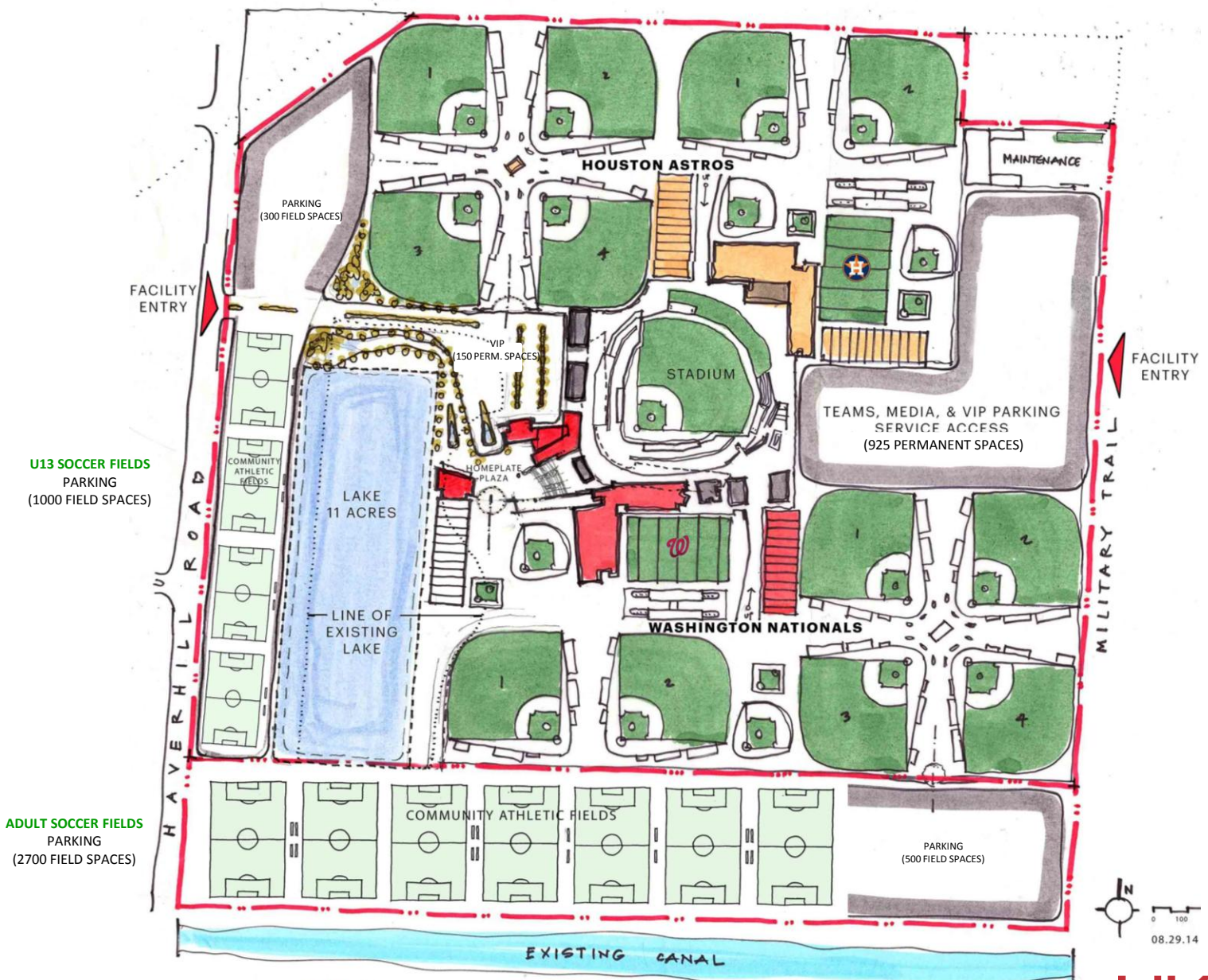
Florida Statutes \$2.0M for 25yrs @ 4.14%

\$31,365,000 bonding capacity

ANNUAL RENT PAID BY THE TWO TEAMS

Rent \$2.2M for 8 yrs - \$2.5 M for 12 yrs - \$2.65 M for 8 yrs @ 4.32%

\$38,465,000 bonding capacity



HAVERHILL ROAD SPRING TRAINING FACILITY
WEST PALM BEACH, FL



HKS sports & entertainment

In 1996 PBC allocated \$2.2 million out of \$3.25 million to Roger Dean 68% of the 4th penny.

In 2015 we are asking you to allocate on a recurring basis an average of \$4.8 million of approximately \$7 million to the Haverhill site 68% of the 4th penny.

