

RESOLUTION NO. 2008-75

**Arizona Tourism and Sports Authority
Resolution Approving Funding Commitments Related to Present and Future Cactus
League Projects**

I. RECITALS

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

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

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

WHEREAS, in addition to the MCS D Funds, the Authority receives certain funds pursuant to A.R.S. §§5-839 and 5-840 (“Tourism Taxes”) that are to be used, in part for Cactus League Purposes and that terminate in February 2031 (“Cactus League Funds”); and

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

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

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

WHEREAS, Goodyear is desirous of financing and constructing additional Cactus League practice facilities (“Practice Facility”) for the Cincinnati Reds at an estimated cost of \$30 million, which Practice Facility will be part of and contiguous with the Goodyear’s current construction for the Indians; and

WHEREAS, Goodyear is requesting a funding commitment from the Authority to be used for Cactus League Purposes to assist with the financing of the Practice Facility for the Cincinnati Reds and additional funds to increase funding to 2/3 of approved project costs for the Indians; and

WHEREAS, Glendale is requesting a supplemental funding commitment from the Authority to be used for Cactus League Purposes to assist with the financing at a maximum of two-thirds of that portion of the land for the Dodgers/White Sox Facility and the Ballpark Practice Facility at its original acquisition cost and certain approved project costs above the level approved previously pursuant to the Glendale IGA; and

WHEREAS, the Authority is willing to provide the supplemental funding commitment requested by Glendale by amending the maximum project cost as used in Section 4.1 of the Glendale IGA by deleting the number \$80,700,000 and replacing it with \$90,022,966 (“Glendale Supplemental Funding Commitment”); whereupon the additional sums that are part of the Glendale Supplemental Funding Commitment will become part of the Glendale/Goodyear Prior Obligations (as defined below) and the Authority’s Prior Commitments (as defined below);

WHEREAS, Goodyear and Glendale (“Cities”) understand and agree that (a) the Cactus League Funds currently expire in February 2031; (b) any additional funding commitment is contingent on a renewal or extension of the Authority’s Tourism Taxes or a new dedicated funding source other than Tourism Taxes or MCS D Funds (“New Cactus League Funds”); and (c) such amendments to the Act or other changes in law are legislative matters solely within the discretion of the Arizona Legislature and the voters of Maricopa County and not within the control of the Authority; and

WHEREAS, based on the additional requests for funding by the Cities and upon the recommendation of the Board’s Cactus League and Finance Committees (collectively, “Committees”), the Authority is willing to set forth its funding priorities generally described on Exhibit A and to be in the following order of priority (collectively the items set forth in (1) through (4) below are hereafter referred to as the “Authority’s Cactus League Funding Priorities”):

- (1) all prior commitments of the Authority, including (a) Cactus League Funds pledged for the Authority’s Cactus League Facility bonds related to the finance of the Cactus League facility in the City of Surprise (scheduled for repayment in 2016), (b) Cactus League Funds and MCS D Funds committed to the Renovation Projects to the Cactus League Facilities located in the cities of Tempe and Scottsdale (completed in 2005 and 2006 respectively and scheduled to be repaid in 2017); (c) Cactus League Funds and MCS D Funds committed to Glendale and Goodyear for new Cactus League facilities under construction (scheduled for completion in 2009 and projected to be fully

repaid in 2031) (the “Glendale/Goodyear Prior Obligations”); and (d) Cactus League Funds reserved by the Authority for Renovation Projects to be completed prior to the expiration of the existing leases for the Cactus League Facilities that are located in the cities of Phoenix-Maryvale (lease expires 2012), Peoria (lease expires in 2014), Phoenix (lease expires in 2014), Mesa (lease expires in 2016) and Surprise (lease expires in 2022) (collectively items (a) through (d) above are referred to hereafter as the “Authority’s Prior Commitments”);

(2) prior to February 2031, if the Glendale/Goodyear Prior Obligations are repaid prior than the current anticipated date of 2031 (“Early Payment Date”), then any MCSD Funds received by the Authority after the Early Payment Date but before February 2031 will be distributed as follows:

(i) up to 50% to be reserved for future Renovation Projects for all Cactus League Facilities, including without limitation the four Cactus League Facilities with leases expiring prior to 2031, such as the facilities located in the cities of Scottsdale (lease expires 2025), Tempe (lease expires in 2025), Glendale (lease expires in 2029) and Goodyear (lease expires in 2029); and

(ii) up to 50% to Goodyear for up to two-thirds of a maximum amount of approved Practice Facility project costs for the Cincinnati Reds not to exceed \$30 million for a total maximum Authority commitment not to exceed \$20 million plus financing costs as further defined in the existing Goodyear IGA and increasing the Authority’s Prior Commitment to Goodyear to increase the funding of project costs from one-half to two-thirds of actual project costs as approved by the Authority Representative (“Goodyear Cincinnati Reds Funding Commitment”); provided, however, if Goodyear has not signed a binding letter of intent with the Cincinnati Reds on or prior to July 1, 2008, then the funds allocated in this priority may be allocated by the Board in its discretion for any other Cactus League Purposes;

(3) after February 2031, or later if necessary to fully pay the Authority’s Prior Commitments, all MCSD Funds received by the Authority will be reserved for future Renovation Projects for all Cactus League Facilities, including without limitation the four Cactus League Facilities with leases expiring prior to 2031, such as the facilities located in the cities of Scottsdale (lease expires 2025), Tempe (lease expires in 2025), Glendale (lease expires in 2029) and Goodyear (lease expires in 2029);

(4) if the Authority receives New Cactus League Funds, then the Authority will commit on an equal priority such New Cactus League Funds as follows:

(i) up to 50% of such New Cactus League Funds until such time as the Authority has reimbursed the remaining balance, if any, of the Goodyear Cincinnati Reds Funding Commitment provided, however, if Goodyear has not signed a binding letter of intent with the Cincinnati Reds on or prior to July 1,

2008, then the funds allocated in this priority may be allocated by the Board in its discretion for any other Cactus League Purposes; and

(ii) up to 50% of the New Cactus League Funds will be reserved for support of financing of additional Cactus League facilities in Maricopa County at the discretion of the Board; and

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

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

II. FUNDING PRIORITIES

NOW, THEREFORE, BE IT RESOLVED, that based on the recommendation of the Committees, the Authority’s Cactus League Funding Priorities, be, and there hereby are, adopted and approved by the Board;

FURTHER RESOLVED, that the adoption of the Authority’s Cactus League Funding Priorities shall supersede and replace any prior Cactus League funding priorities previously adopted by the Board;

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

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

FURTHER RESOLVED, that the Authorized Officers of the Authority be, and they hereby are, authorized and directed, in the name and on behalf of the Authority, to take all actions necessary, appropriate or advisable to effectuate the foregoing resolutions, including the incurrence of fees and expenses and recording of certain documents and agreements, as in their

judgment shall be necessary, appropriate or advisable to carry into effect the purposes and intent of these resolutions and the transactions contemplated by these resolutions; and

III. MISCELLANEOUS MATTERS

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

Dated: April 7, 2008

EXHIBIT A
Cactus League Funds Priority