

Staff Report



Ballpark Complex Project	
City Council Meeting Date: 05-24-16	Documents Being Considered: Resolutions

RECOMMENDATIONS

Consider a resolution designating and providing for the Texas Rangers Complex Development Project as a sports and community venue project and designating the methods of financing the Texas Rangers Complex Development Project.

Consider a resolution authorizing the execution of a Master Agreement for the Ballpark Complex Project.

PRIOR BOARD OR COUNCIL ACTION

None

ANALYSIS

With the expiration of the current lease for Globe Life Park set to occur in April 2024, the City of Arlington and Rangers Baseball, LLC (the Team) have begun to explore options for the future of the Texas Rangers baseball franchise in Arlington.

The Team has expressed interest in a new, retractable-roof ballpark. In order to fund the public portion of financing for such a facility, the City would need to call an election for November 8, 2016 to ask the voters for approval of venue taxes for that purpose.

To call an election to allow the voters to consider approval of the Texas Rangers Complex Development Project as a sports and community venue project and methods of financing authorized under Texas Local Government Code Chapter 334, the City Council must first pass a resolution that describes the venue project and that designates the proposed methods of financing. The resolution must be submitted to the State Comptroller of Public Accounts who performs a State fiscal impact analysis based on information provided in the resolution. If the Comptroller determines that the proposed methods of financing the sports and community venue project will not have a significant negative fiscal impact on State revenue, the City Council may call an election on the proposed venue project and methods of financing.

The City and the Team have established parameters surrounding the requirements, duties, and responsibilities of each party in developing the Ballpark Complex Project. The Master Agreement will provide the foundation for the relationship between the City and the Team and the associated project documents required to develop the Ballpark Complex.

The Master Agreement contemplates that the Ballpark Complex would include a new, retractable-roof ballpark that would seat at least 38,000 and contain office space for the Team. The Team would execute a Non-Relocation Agreement that would commit the Team to play in Arlington until January 1, 2054. If voters approve the funding of the Ballpark Complex, the Team could begin playing in the new ballpark as early as the 2020 season.

The Ballpark Complex is estimated to cost \$1 billion, with the City contributing no more than \$500 million via proceeds from bonds backed by venue taxes and rent. Proposed venue taxes would include a half cent sales tax, a two percent hotel occupancy tax, and a five percent car rental tax. These proposed venue taxes would be collected at the same rate as they are today for the City's repayment of the outstanding AT&T Stadium bonds, so there would be no tax increase necessary to fund the Ballpark Complex. The annual rent paid for

the Ballpark Complex by the Team to the City of Arlington would be \$2 million. The Team would contribute at least \$500 million to the Ballpark Complex and associated elements, and would be responsible for all cost overruns.

The proposed Ballpark Complex would be built on what is now a parking lot south of Randol Mill Road and west of Stadium Drive. The City and the Team are discussing the future of the current ballpark, Globe Life Park in Arlington, with options including office development, park space, parking and a possible extension to the Texas Live! project. Ultimately, the Team will have the final decision on what to do with Globe Life Park in Arlington.

The Arlington Convention and Visitors Bureau commissioned an independent consulting group to provide an analysis of the economic impact of the Texas Rangers franchise on Arlington. HR&A Advisors found that the annual economic impact of the Rangers in a new ballpark would be \$77.5 million for Arlington and \$137.6 million for Tarrant County. According to HR&A's analysis, the net present value of the Rangers continued presence between 2016-2054 with a new ballpark would be \$2.53 billion for Arlington and \$4.49 billion for Tarrant County.

ADDITIONAL INFORMATION

Attached:	Resolution designating and providing for the Texas Rangers Complex Development Project as a sports and community venue project
	Resolution authorizing execution of Master Agreement
	Economic and Fiscal Impact Analysis of the Texas Rangers in Arlington and Tarrant County
Under separate cover:	None
Available in the City Secretary's office:	None

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