

# CITY COUNCIL B SESSION

## Ballpark Project

Ben Gorzell, Jr.  
Chief Financial Officer

August 14, 2024

# Ballpark Project - Summary

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Team is proposing to construct a new downtown minor league ballpark with approximately 4,500 fixed seats and total capacity for approximately 7,500

- Estimated cost is approximately \$160 Million inclusive of land
- Payments primary paid for from Team equity, Team revenue, tax assessment revenues from new taxable development

New private development (hospitality and multi-family) anticipated to be constructed in 4 phases through 2031

- New private development has a projected taxable value of approximately \$1 Billion

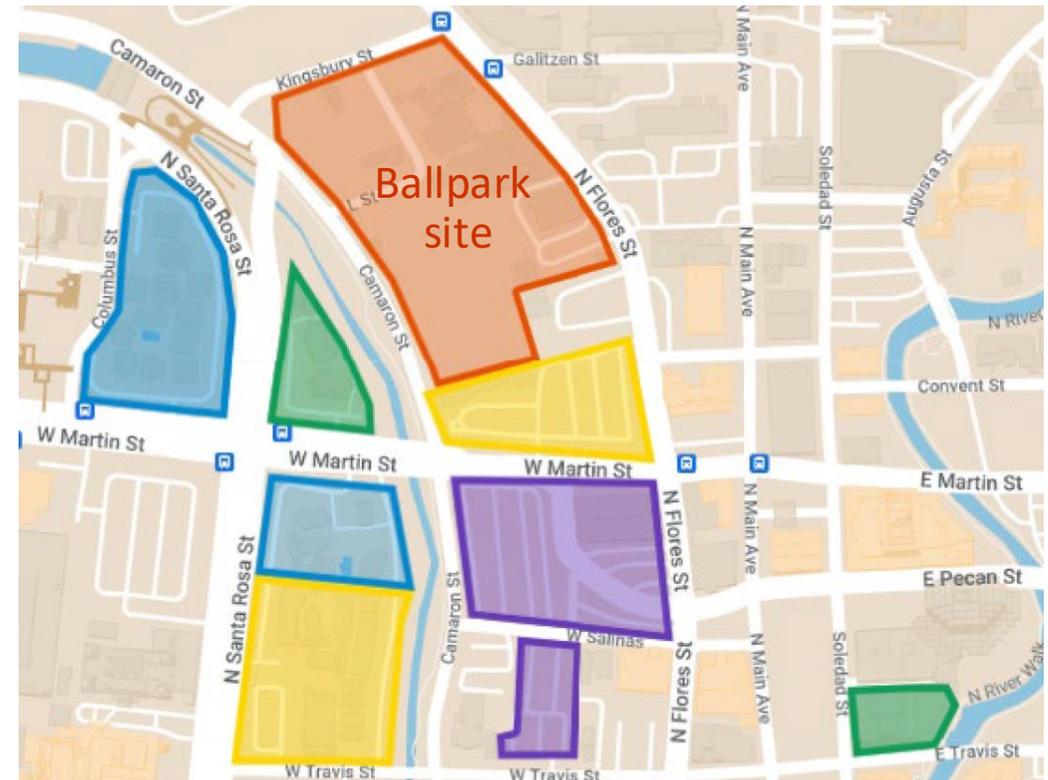
Ballpark completion expected in time for opening day in April 2028



# Ballpark Project – Proposed New Development

PHASE	ESTIMATED COMPLETION DATE	ESTIMATED TAXABLE VALUE BY PHASE
1	2027	\$300,000,000
2	2029	\$275,000,000
3	2030	\$275,000,000
4	2031	\$150,000,000
TOTAL		\$1,000,000,000

All properties for the Ballpark site have been acquired with the exception of the SAISD site



# Ballpark Funding

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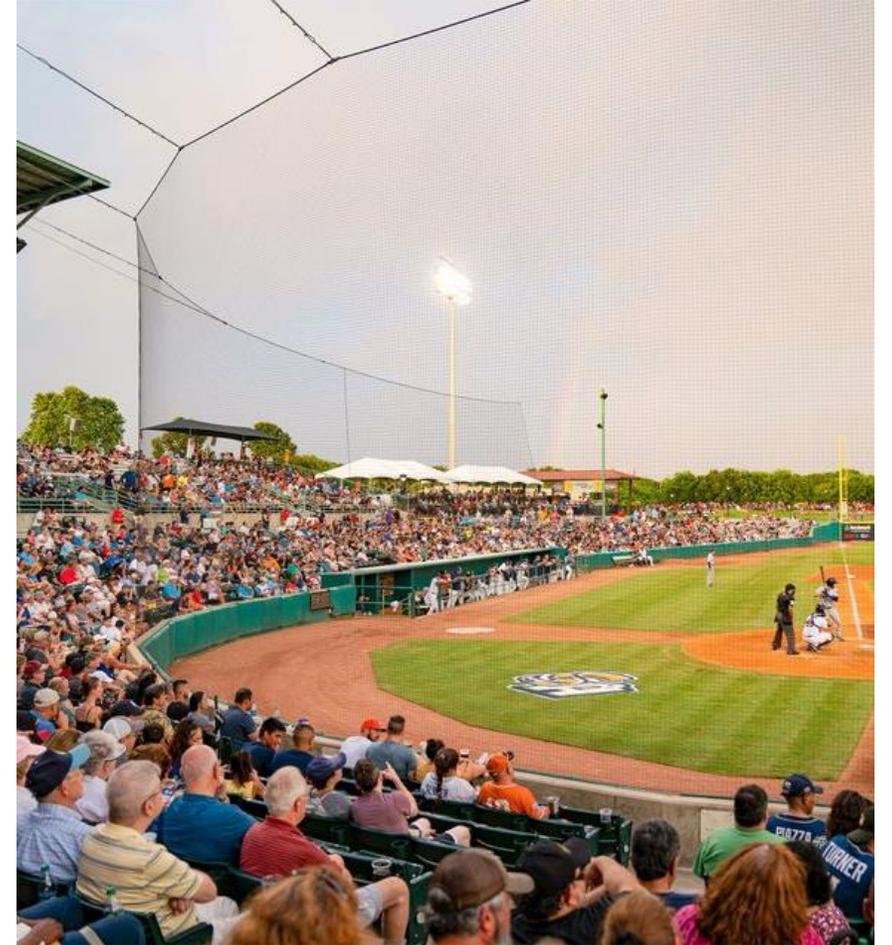
City and County to create the San Pedro Creek Development Authority

Authority would own the Ballpark

Proposed Ballpark is located in the Houston Street Tax Increment Reinvestment Zone (TIRZ)

Funding of approximately \$160 Million for the Ballpark is expected to include:

- Team Equity Contribution of \$34 Million
- Bonds to be issued by the Authority with a pledge of revenue from the Houston Street TIRZ
  - Generate proceeds of approximately \$126 Million for the Project
- Team is responsible for construction overruns (exceeding Guaranteed Maximum Price (GMP))



# Proposed Bond Financing

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Tax-Exempt and Taxable Bonds to be issued by Authority with a pledge of Houston Street TIRZ

Bonds will be repaid by:

- Team Revenue
  - \$1 Million Annual Lease Payment
  - \$2 Ticket Fee
- Guaranteed City and County property tax increment from Phase 1 and 2 of New Development
- Guaranteed assessment from Municipal Management District (MMD) created to capture New Development
- Existing City and County Houston Street TIRZ capacity





# Preliminary Ballpark Funding Breakout

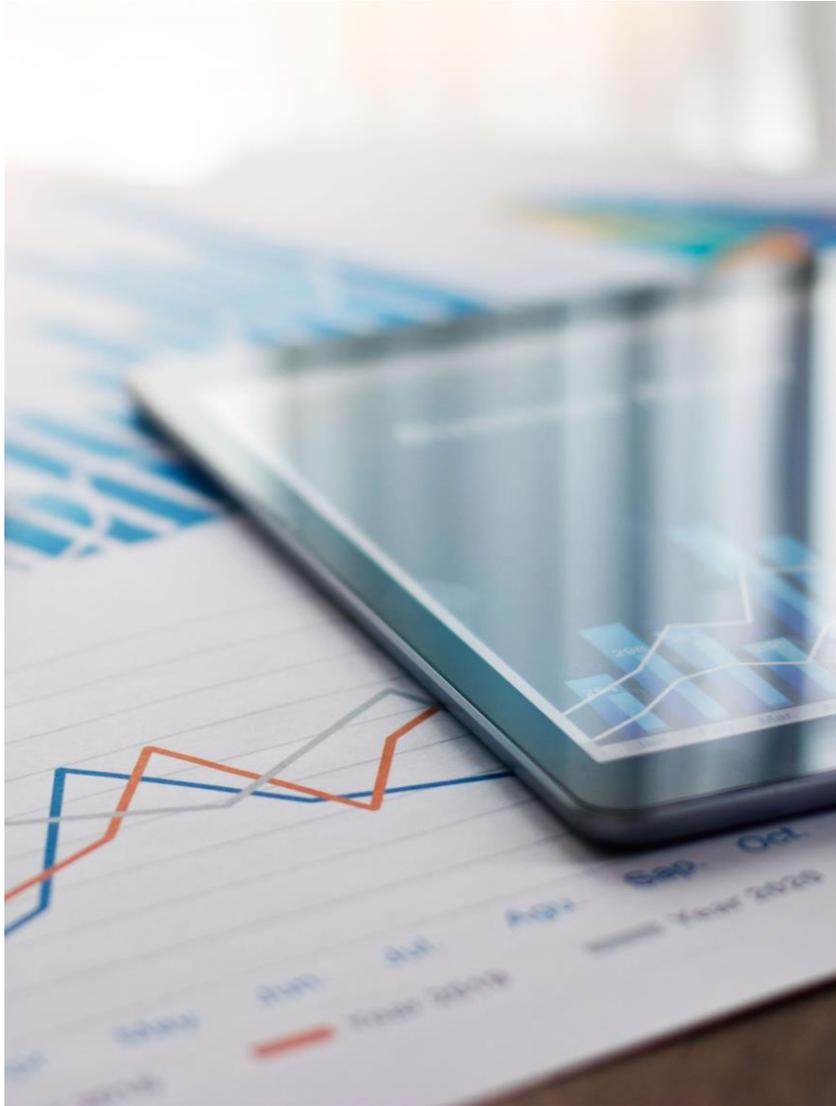
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Approximately 86% funding from:

- Team Equity Contribution
- Team Revenues
- Guaranteed City and County property tax increment from Phase 1 and 2 of New Development
- Guaranteed MMD Assessment from Phases 1 and 2 of New Development

Approximately 14% funding from:

- Existing City and County Houston Street TIRZ increment
- Shared equally between City and County
- Assumes Phase 1 and 2 values do not exceed projections and no additional New Development is constructed (i.e. Phase 3 and 4)



# Phase I & II New Development Revenue Guarantee

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Guarantees cover the projected property tax increment and assessment revenues to be generated from Phases 1 & 2 of New Development

Team to provide 2-Year Rolling Line of Credit

- Value will be based on projected risk over the upcoming 2-year period

Subset of Team owners to provide an additional line of credit

Modified Force Majeure provision will allow for guaranteed payments (for payments caused by events out of developer's control) to be repaid if revenues from New Development exceed net debt service requirements



# Other Contributions & Plans

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## Ballpark Maintenance & Capital Improvement Fund

Team to contribute \$250,000 annually

City to contribute \$500,000 annually (funded from the Houston Street TIRZ)

## Traffic, Security, and Cleanliness Plan

City and Team to collaborate on the development of a traffic, security, and cleanliness plan for the areas around the Ballpark for game and event days

# TIRZ & MMD

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## **Tax Increment Reinvestment Zone**

City Council creates the TIRZ and designates the geographic boundary

Base Tax Value is established for the boundary

Only incremental tax revenue from the taxable properties within the designated boundary are captured for that specific TIRZ

Funds are to be used for projects within the designated boundary

## **Houston Street TIRZ**

Primarily hotel, commercial office and residential

Majority of property tax increment to support the Ballpark Project is guaranteed and generated from new development

## **Municipal Management District**

The proposed MMD and its boundary will be created through the Texas Commission on Environmental Quality with consent by City Council

Property owners within the designated boundary will pay an assessment in addition to their property taxes

Assessment funds are used to support services or projects within the boundary

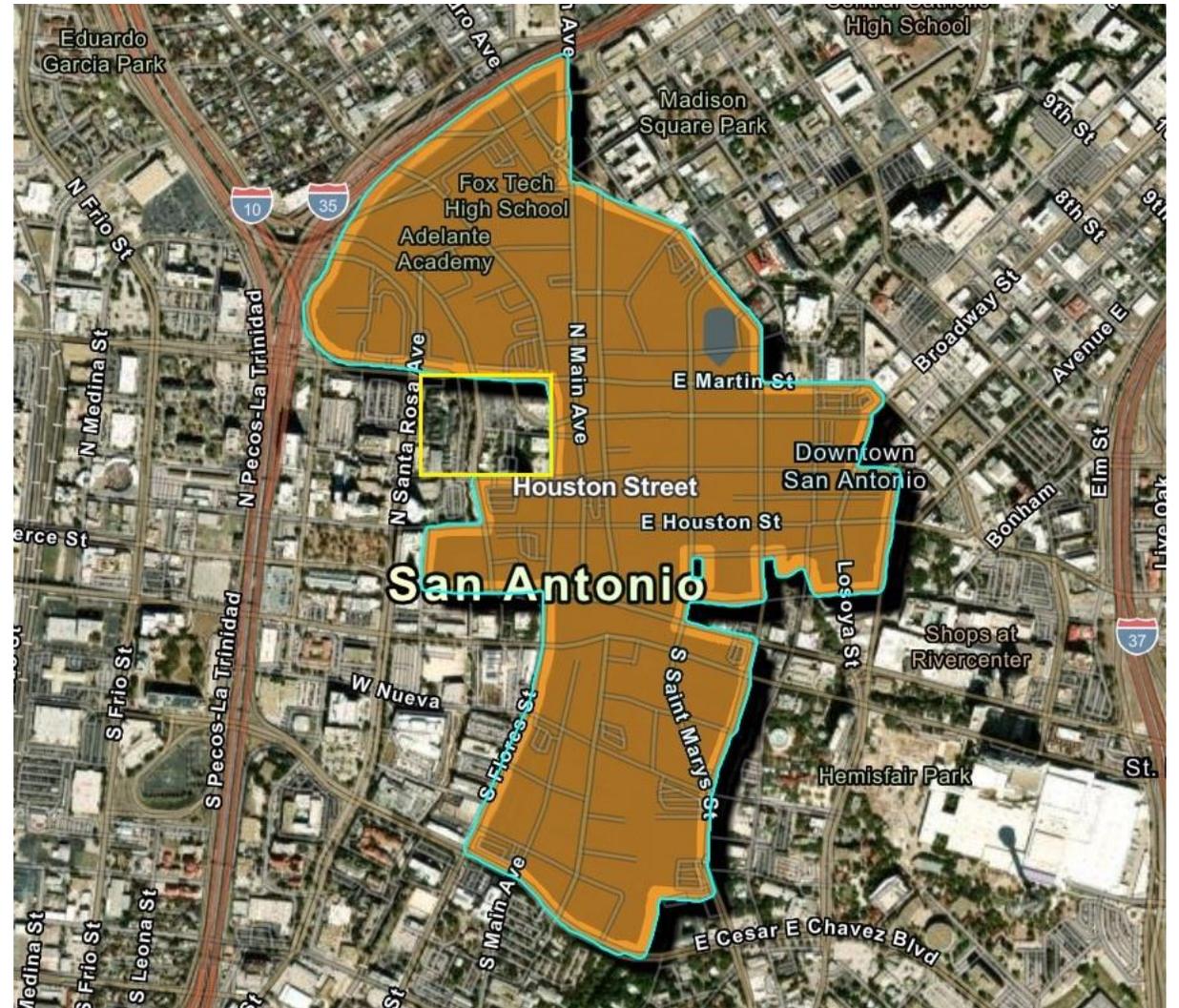
## **Proposed MMD for Ballpark Project**

Geographic boundary is limited to the Ballpark and development Phases 1-4

MMD assessment will support the debt for the Ballpark Project

# Houston Street TIRZ

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# Soap Factory Resident Displacement Plan

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Tenants impacted by Phase I will be offered the opportunity to relocate to other Soap Factory Units

Tenants impacted by Phase II will be offered the opportunity to relocate to other Soap Factory Units or the Continental Block Development on West Commerce (145 units reserved for 60% to 80% AMI) subject to availability

For those tenants that do not wish to move to the Continental Block or those that are below 60% AMI, housing navigation will be provided to help the individual identify housing that is affordable for their income level and accommodates their needs





# Community Benefits

Public Amenities – Amenity and green space will be made available to the public

Youth Program – Under development, Team shall develop a youth program to include a number of free tickets per year to disadvantaged youth and youth groups, teams, etc.

Stakeholder Days – City and County shall have access to the Facility for 5 days per year – cannot conflict with other events



# Community Benefits

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Stakeholder Advertising – City, County and Team exploring electronic advertising opportunities (public service announcements) and other opportunities for Team announcements

San Antonio 1888 Baseball Foundation – Team has created the 1888 Baseball Foundation which shall contribute at least \$200,000 annually to support local initiatives regarding children and homeless veterans

SAISD Program – Being developed but initial concepts include internships, access to facility, and stakeholder days

Wage Commitment – The Team shall provide full-time and part-time positions which will be paid at the City's minimum entry wage (\$18 per hour)

Veterans – Team will make an effort to hire veterans for game day operations





# Local Participation and SBEDA Plan

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Prime Contracts – Primary vendors, if not located in Bexar County, for design/engineering and construction will be encouraged to joint venture with a local partner

Diversity Outreach – Primary vendors will provide outreach plans for identifying local, small, minority, veteran, and women owned subcontractors

Construction Packages – Construction packages will be assigned goals for SBEDA subcontractors

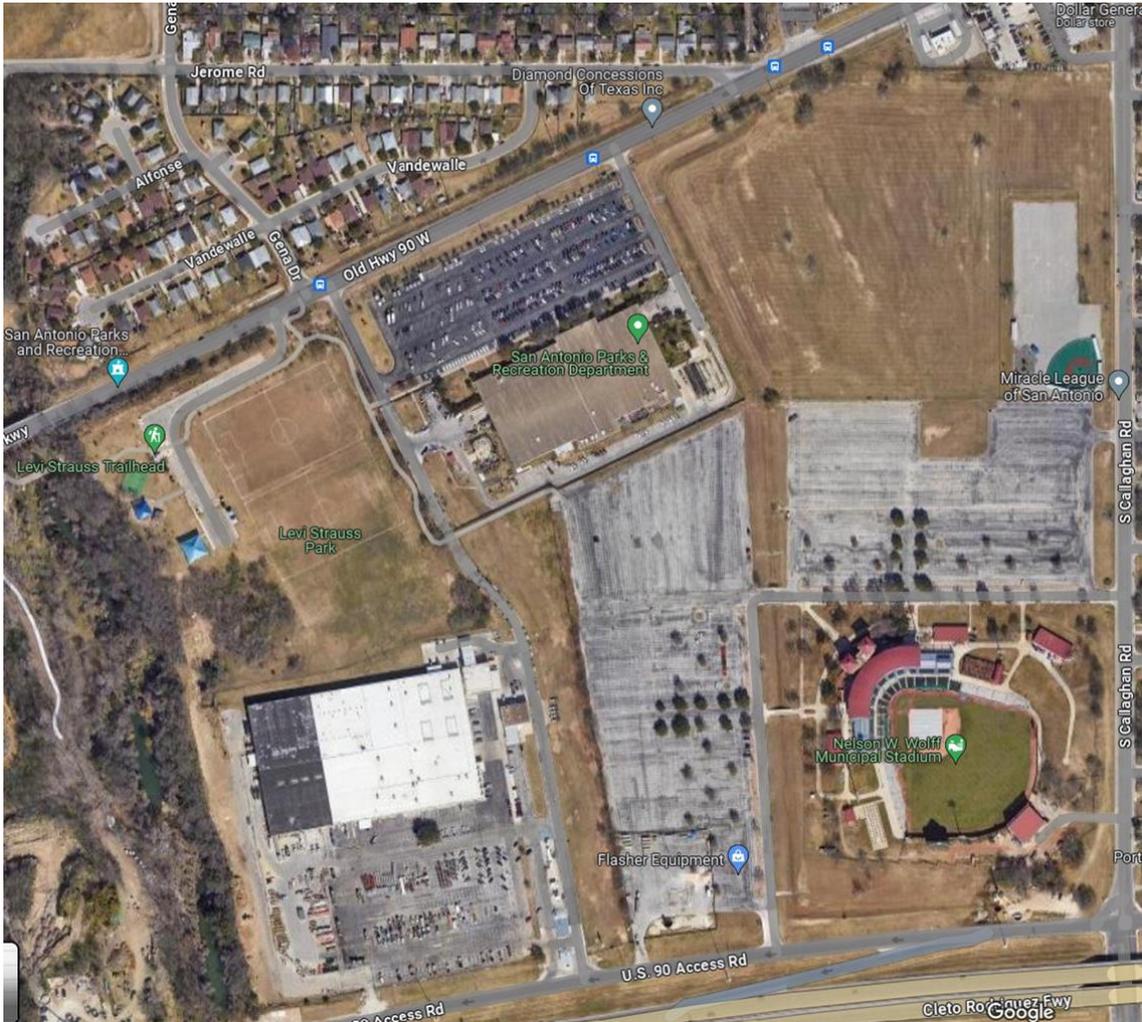


# Nelson Wolff Stadium Site

Existing stadium site is an excellent opportunity for redevelopment

City plans to develop a concept plan for the redevelopment of this site based upon the needs of the surrounding community

City owns the ballpark site plus the majority of property around the ballpark to include the park, open space, and the recreation center reflected in the map



# Next Steps

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Mayor and County Judge executed Letter of Intent to MLB on July 26, 2024

B Session Briefing on August 14, 2024

Term Sheet approval tentatively scheduled for City Council consideration on August 29, 2024

Creation of San Pedro Creek Development Authority

Houston Street TIRZ – Adjust boundary for New Development parcels currently in Westside TIRZ and extend term

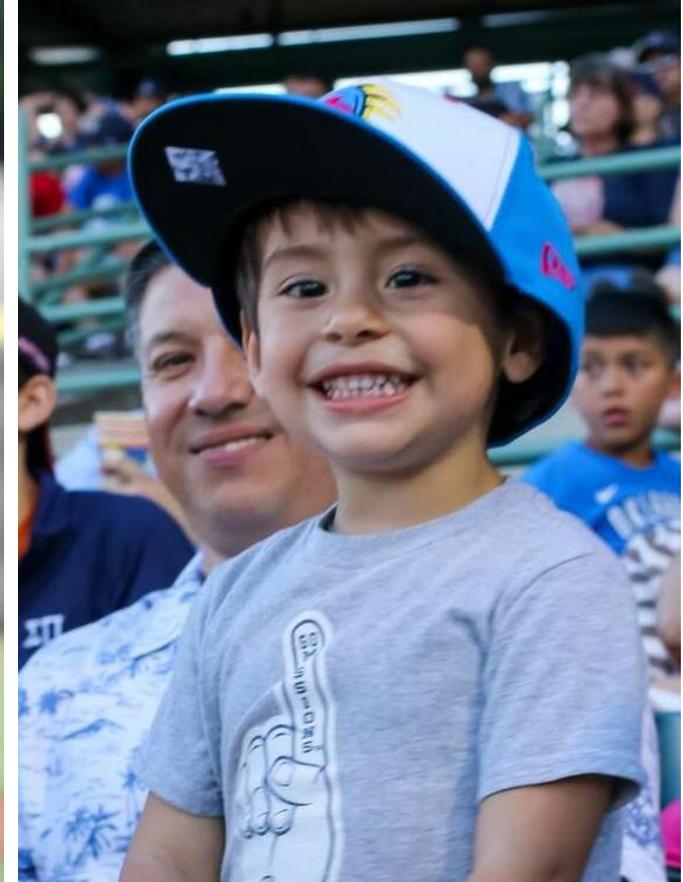
Westside TIRZ - Increase City participation rate from 90% to 100% and extend term

Create Municipal Management District (MMD)

Explore expanding Downtown Public Improvement District (PID)

Negotiate and develop other Development Agreements

- Team Lease
- Economic Development Agreement
- Developer Agreement
- Bond Indenture and other financing documents
- TIRZ Funding Agreement



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