

## Big A: Angel Stadium Lease Discussions

- **What:** talks between the city of Anaheim and Angels Baseball LP about the future of baseball
- **Status:** pre-negotiations
- **Why:** explore a lease and potential related development that generates city revenue and addresses the need for stadium upgrades or a new stadium
- **Timeline:** talks in fall 2019 with a goal of progress or a proposed agreement in late 2019
- **Negotiation steps:**
  - **January 2019:** Mayor Harry Sidhu meets with Angels owner Arte Moreno about the prospect of renewed talks
  - **February 2019:** Anaheim contracts with Norris Realty Advisors of Pasadena for stadium site appraisal services
  - **February 2019:** Anaheim enlists Dan Barrett, executive vice president, Manhattan Beach-based CAA ICON Strategic Advisory, as consultant on lease and sports-related issues
  - **March 2019:** Angels Baseball contracts with Newport Beach-based Brooks Street for development consulting services
  - **May 2019:** Angels Baseball adds architectural, engineering and financial advisory firms to their consultant team
  - **July 2019:** Mayor Sidhu named Council designee to city negotiating team of City Manager Chris Zapata and City Attorney Robert Fabela, supported by executive staff
  - **July 2019:** City receives draft stadium land appraisal, City Council reviews in closed session
  - **July 2019:** Anaheim adds Larry Kosmont, chief executive of Manhattan Beach-based Kosmont Cos., as economic development consultant
  - **September 2019:** city negotiating team and consultants hold first internal meeting
  - **September 2019:** City Council briefed on appraisal in closed session



### Stadium lease history

- 1966:** first lease for team at stadium
- 1996:** current lease through 2029 with options for extensions through 2038
- 2013:** Angels' opt-out deadline moved from 2016-17 to 2018-19 amid new lease discussions by city, team
- 2013-14, 2016:** prior lease discussions
- Oct. 16, 2018:** Angels exercise opt-out provision requiring 12-month notice of intent to potentially end lease
- Jan. 15, 2019:** Anaheim City Council rescinds exercised opt-out, extends next opt-out date from Oct. 15, 2019, to Dec. 31, 2020, reinstates 1996 lease

## Platinum Triangle

- **What:** 820-acre district including Angel Stadium of Anaheim, Honda Center, City National Grove of Anaheim, the Anaheim Regional Transportation Intermodal Center as well as restaurants, shops, offices and a hotel
- **Significance:** lease and related development talks fall under Anaheim's planning for the Platinum Triangle
- **Rezoning:** In 2004, the industrial area around Angel Stadium of Anaheim was rezoned for redevelopment with homes, dining, shops and other uses
- **Platinum Triangle plan:** a downtown built around sports with urban-style homes, restaurants, shopping, entertainment, offices and transit
- **Examples:**
  - Petco Park in San Diego
  - Golden 1 Center in Sacramento
  - L.A. Live in downtown Los Angeles
  - Globe Life Field under construction in Arlington, Texas
- **Investment under way:** more than \$1.5 billion in condominiums, apartments, offices, shopping and a hotel
- **Stadium area:** 155 acres of city-owned land
- **Stadium site:** 22 acres
- **Parking:** minimum 12,500 spots required under current lease



### By the Numbers

#### Platinum Triangle at buildout

- 26,000 residents
- 17,500 apartments and condominiums
- 13.5 million square feet of office space
- 4.8 million square feet of commercial, retail and hotel space

#### What's there today

- 6,100 residents
- 4,084 apartments, condos
- 1.9 million square feet of office space
- 709,271 square feet of retail, restaurants, other commercial space

#### Approved or under construction

- 3,383 apartments, condos
- 647,600 square feet of retail, restaurants
- 77,000 square feet of office

#### Future development

- 10,000 apartments, condos
- 3.4 million square feet of retail, restaurants
- 11.5 million square feet of office

## Platinum Triangle

- **Platinum Triangle tax revenue:** with redevelopment, Anaheim is seeing more sales and property tax revenue from the Platinum Triangle
- **Platinum Triangle sales tax revenue:** Anaheim's 1 percent share of California's 7.75 percent sales tax in Orange County, by calendar years

- **2010:** \$3.5 million
  - **2011:** \$4.4 million
  - **2012:** \$4.5 million
  - **2013:** \$4.8 million
  - **2014:** \$5.1 million
  - **2015:** \$5.7 million
  - **2016:** \$5.6 million
  - **2017:** \$5.6 million
  - **2018:** \$5.1 million
  - **2019:** \$5.2 million\*
- \*estimated



- **Platinum Triangle property tax revenue:** Anaheim's 1 percent share of Orange County's property tax in the city, by fiscal years

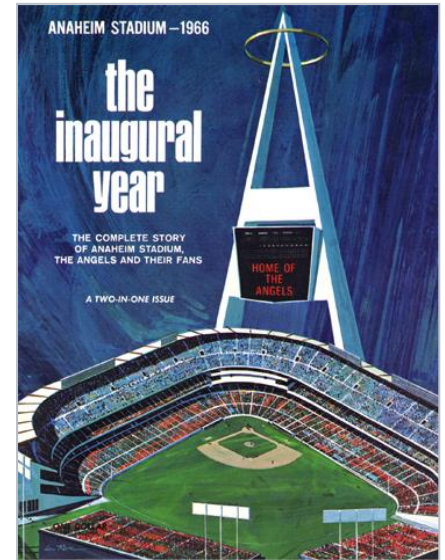
- **2010-11:** \$1.5 million
- **2012-13:** \$1.4 million
- **2013-14:** \$1.5 million
- **2014-15:** \$1.6 million
- **2015-16:** \$1.6 million
- **2016-17:** \$1.9 million
- **2017-18:** \$1.9 million
- **2018-19:** \$2.2 million





## Angel Stadium of Anaheim

- **What:** 45,483-seat, city-owned baseball stadium, home of the Los Angeles Angels of Anaheim
- **Other events:** concerts, motocross, monster trucks
- **Status:** fourth-oldest baseball stadium after Boston's Fenway Park, Chicago's Wrigley Field, Dodger Stadium
- **Opened:** 1966
- **First game:** April 9, 1966, versus San Francisco Giants
- **Cost to build:** \$24 million
- **1979:** expanded by 25,758 seats, from 43,250 to 69,000, to host the Los Angeles Rams football team from 1980 to 1994
- **1996-98:** Walt Disney Co., after acquiring part of the Angels in 1996 and all of the team in 1998, spends \$87 million, along with \$30 million by the city, to renovate stadium, reducing seating to 45,483 for baseball only
- **2003:** current owner Arte Moreno acquires Angels for \$182.5 million
- **Recent renovations:** since 2012, the Angels have spent \$30 million on stadium upgrades, including:
  - New outfield scoreboards
  - Repainting of helmets, bats at home plate gate and Big A in the parking lot
  - Resurfaced parking lots
  - LED lights in parking lots
- **Future renovations:** estimated \$150 million in improvements needed during the next 20 years, including:
  - Plumbing
  - Bathrooms
  - Elevators and escalators
  - Pedestrian ramps, concrete



## 1996 Lease

- **What:** current stadium lease and renovation agreement
- **Who:** city of Anaheim and Angels Baseball LP
- **History:** originally struck by California Angels LP, then part of Walt Disney Co., and assumed by Angels Baseball LP with 2003 sale of the team
- **Term:** 33 years, 1996 through 2029, with the option of three three-year extensions though 2038
- **Renovation:** \$117 million in improvements that started in October 1996 and finished in April 1998
- **Improvements:**
  - Removal of outfield football seats
  - Creation of outfield rocks with waterfall
  - Addition of dugout level suites
  - Renovation of club level suites
  - Relocation of bullpens
  - Creation of outfield concourse
  - Exterior plaza
  - New stadium club
  - Renovation of food services
  - New seats
- **Funding:**
  - **Walt Disney Co.:** \$87 million
  - **City of Anaheim:** \$30 million, minus \$10 million in retained advertising revenue
- **Rent:** lease calls for rent payments twice a year with the option to prepay rent the form of improvements to the city-owned stadium
- **Rent prepayment:** \$80 million of \$87 million spent on 1990s stadium improvements counts as prepayment of rent through 2029
- **Yearly rent equivalent:** The \$80 million prepayment equates to yearly rent of \$2.4 million for the 33-year term



## 1996 Lease: Finances

- **Yearly revenue:** Anaheim sees revenue from baseball ticket sales, parking and other events including Supercross and Monster Jam
  - **City ticket revenue:** \$2 on every ticket sold after 2.6 million in season
  - **City parking revenue:** 25 percent of additional revenue above \$4 million
  - **City event revenue:** 25 percent of additional revenue above \$2 million

- **City revenue from stadium**

<b>Year</b>	<b>Amount</b>	<b>Net</b> <i>after capital reserve fund expense, debt service</i>
2010-11	\$1.4 million	\$477,365
2011-12	\$1.5 million	\$483,719
2012-13	\$1.05 million	(\$5,736)
2013-14	\$1.2 million	\$74,471
2014-15	\$1.5 million	(\$181,628)
2015-16	\$1.1 million	(\$126,152)
2016-17	\$1.02 million	(\$440,449)
2017-18	\$1.4 million	\$709,665
2018-19	\$1.3 million	\$581,200

- **Capital reserve fund expense:** annual contribution per lease by city of Anaheim toward capital improvements to stadium, adjusted annually and currently at \$697,707
- **How capital expense is paid:** through Anaheim’s Convention, Sports & Entertainment enterprise fund, separate from Anaheim’s general fund
- **Debt service:** on \$6.5 million in city-issued bonds for late-1980s addition of a stadium exhibit hall when city managed the stadium, maturing in 2022; *not* part of 1996 lease but accounted for as stadium expense
- **How debt is paid:** through Anaheim’s Convention, Sports & Entertainment
- **Remaining debt payments**
  - **June 2020:** \$94,613.32
  - **June 2021:** \$181,080.46
  - **June 2022:** \$247,257.72

**1996 Lease: Angels stadium investment**

- **What:** stadium capital repairs and improvements by Angels Baseball from 2012 to 2018

- **Total:** \$29 million
  - **2012:** \$1.6 million
  - **2013:** \$2.3 million
  - **2014:** \$2.4 million
  - **2015:** \$653,133
  - **2016:** \$1 million
  - **2017:** \$1.9 million
  - **2018:** \$19.2 million



- **Partial list of improvements:**
  - **2012:** Diamond Club bar, beer garden, suite remodel, LED lighting, heating, ventilation and air conditioning
  - **2013:** press box relocation, club and diamond seating padding, water mains, fire sprinklers, televisions, Big A halo refurbishment
  - **2014:** clubhouse water mains, elevator improvements, player parking fence cover
  - **2015:** family room construction, third base side water mains, dugout floors
  - **2016:** Home plate gate bats and helmets, suite flooring, concrete for centerfield tunnel, clubhouse, locker room and suite furniture, seating area concrete
  - **2017:** field lighting, clubhouse flooring, water heater, leftfield steel beams, glass for visiting team bullpen
  - **2018:** stadium screens and scoreboards, Big A painting, backstop netting, ramp replacement, roof work