

Summary of Cost-Benefit Analysis of Coyotes Agreement

Glendale Benefits of Coyotes Agreement

City Costs:

\$100.0	Right to Receive Parking Revenue - City Pays Coyotes One-Time Fee
\$97.0	Management Fee to Operate Arena (2011-2016)
\$24.4	Extended Management Fee to Operate Arena beyond 2016
<u>\$31.0</u>	Renewal & Replacement Expenses
<u><u>\$252.4</u></u>	Total Estimated City Costs

City Benefits:

(Coyotes Only - Not including Indirect Benefits)

\$251.7	Parking Revenue Cash Flow
\$31.7	Arena Recovery Fee
\$25.3	Arena Rental Payments
\$68.0	City Surcharge
\$35.8	Game Related Sales Tax Revenue
\$62.8	Arena Additional Use Fee
\$25.0	Recovery of City Payment to NHL
<u>\$40.0</u>	30-Year City "Put" to Team
<u><u>\$540.2</u></u>	Total Estimated City Benefit (Does not include 5-Year ROFR)

Net Benefit (Cost):

<u><u>\$287.8</u></u>	Total Estimated Benefit (Cost) to City based on Coyotes Agreement
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Analysis of City and Team "Gets" and "Gives"

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
City Gets															
Arena Revenues															
Net Parking Revenues	4,596,827	4,965,734	5,274,082	6,162,497	6,413,012	6,572,687	6,736,348	6,904,093	7,076,026	7,252,250	7,432,873	7,618,005	7,807,758	8,002,248	8,201,593
Arena Recovery Fee (BRF)	0	0	0	0	0	0	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000
Rental Payments	512,500	512,500	512,500	512,500	512,500	512,500	512,500	512,500	512,500	512,500	512,500	512,500	512,500	512,500	1,100,000
City Surcharge	1,452,000	1,601,600	1,755,600	1,850,200	1,947,000	1,980,000	2,013,000	2,046,000	2,079,000	2,112,000	2,145,000	2,178,000	2,211,000	2,244,000	2,277,000
Game Related Sales Taxes	1,037,022	1,045,229	1,052,575	1,059,999	1,067,501	1,075,083	1,108,890	1,116,585	1,124,361	1,132,219	1,140,161	1,148,186	1,156,297	1,164,493	1,172,775
Capital Expenditures by Team															
Total Arena Revenues	7,598,349	8,125,062	8,594,757	9,585,196	9,940,014	10,140,270	11,690,738	11,899,178	12,111,887	12,328,969	12,550,534	12,776,691	13,007,554	13,243,240	14,071,368
Arena Additional Use Fee Payment	0	690,000	9,790,000	9,600,000	8,380,000	9,740,000	6,430,000	5,570,000	4,900,000	4,310,000	3,370,000	0	0	0	0
City Payment to NHL	25,000,000														
City "Put" Right															
Total - City Gets	32,598,349	8,815,062	18,384,757	19,185,196	18,320,014	19,880,270	18,120,738	17,469,178	17,011,887	16,638,969	15,920,534	12,776,691	13,007,554	13,243,240	14,071,368
City Gives															
Rights to Parking	100,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arena Management Fees	10,000,000	20,000,000	20,000,000	17,000,000	15,000,000	15,000,000	0	0	0	0	0	0	0	0	0
Extended Management Fees	0	0	0	0	0	0	10,130,000	7,220,000	4,650,000	2,340,000	25,000	0	0	0	0
Renewal & Replacement	49,000	48,000	161,000	274,000	261,000	325,000	353,000	356,000	293,000	473,000	761,000	899,000	1,187,000	1,154,000	1,013,000
Total - City Gives	110,049,000	20,048,000	20,161,000	17,274,000	15,261,000	15,325,000	10,483,000	7,576,000	4,943,000	2,813,000	786,000	899,000	1,187,000	1,154,000	1,013,000
Net City Balance	-77,450,651	-11,232,938	-1,776,243	1,911,196	3,059,014	4,555,270	7,637,738	9,893,178	12,068,887	13,825,969	15,134,534	11,877,691	11,820,554	12,089,240	13,058,368
Team Gets															
Sale of Parking Rights	100,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arena Management Fees	10,000,000	20,000,000	20,000,000	17,000,000	15,000,000	15,000,000	0	0	0	0	0	0	0	0	0
Extended Management Fees	0	0	0	0	0	0	10,130,000	7,220,000	4,650,000	2,340,000	25,000	0	0	0	0
Arena Revenues	21,630,000	27,866,000	31,535,000	36,927,000	39,651,000	41,407,000	42,853,000	44,370,000	45,964,000	47,642,000	48,385,000	49,372,000	50,381,000	51,415,000	52,542,000
Coyotes Operations	-31,256,000	-27,539,000	-17,003,000	-14,826,000	-15,342,000	-13,691,000	-16,189,000	-15,801,000	-15,439,000	-15,208,000	-10,000,000	-10,000,000	-10,000,000	-10,000,000	-10,000,000
Total - Team Gets	100,374,000	20,327,000	34,532,000	39,101,000	39,309,000	42,716,000	36,794,000	35,789,000	35,175,000	34,774,000	38,410,000	39,372,000	40,381,000	41,415,000	42,542,000
Team Gives															
Team's Use Covenant-30 years	169,300,000														
Arena Expenses	17,765,000	18,950,000	19,959,000	21,896,000	22,551,000	23,228,000	23,926,000	24,643,000	25,382,000	26,143,000	26,929,150	27,737,535	28,567,821	29,426,695	30,308,866
Capital Expenditures	1,000,000	1,030,000	1,060,900	1,092,727	1,125,509	1,159,274	1,194,052	1,229,874	1,266,770	1,304,773	1,343,916	1,384,234	1,425,761	1,468,534	1,512,590
Total - Team Gives	188,065,000	19,980,000	21,019,900	22,988,727	23,676,509	24,387,274	25,120,052	25,872,874	26,648,770	27,447,773	28,273,066	29,121,768	29,993,581	30,895,229	31,821,456
Net Team Balance	-87,691,000	347,000	13,512,100	16,112,273	15,632,491	18,328,726	11,673,948	9,916,126	8,526,230	7,326,227	10,136,934	10,250,232	10,387,419	10,519,771	10,720,544

Note: Figures related to Coyotes Operations are estimated since the Goldman model does not go beyond 2020.

Sources: Team and Arena Operational Revenues and Costs were provided by Goldman financial models. City's Arena Revenues provided by TLHocking cash flow models.

Analysis of City and Team "Gets" and "Gives"

	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	Total
City Gets																
Arena Revenues																
Net Parking Revenues	8,405,915	8,615,337	8,829,988	9,049,998	9,275,500	9,506,633	9,743,537	9,986,355	10,235,236	10,490,332	10,751,797	11,019,791	11,294,476	11,576,021	11,864,596	251,661,545
Arena Recovery Fee (BRF)	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	1,320,000	31,680,000
Rental Payments	1,100,000	1,100,000	1,100,000	1,100,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	1,150,000	25,325,000
City Surcharge	2,310,000	2,343,000	2,376,000	2,409,000	2,442,000	2,475,000	2,508,000	2,541,000	2,574,000	2,607,000	2,640,000	2,673,000	2,706,000	2,739,000	2,739,000	67,973,400
Game Related Sales Taxes	1,181,145	1,217,842	1,226,337	1,234,922	1,243,597	1,252,365	1,261,225	1,270,179	1,279,228	1,288,372	1,328,796	1,338,718	1,348,739	1,358,860	1,369,083	35,800,783
Capital Expenditures by Team																
Total Arena Revenues	14,317,059	14,596,179	14,852,325	15,113,920	15,431,098	15,703,998	15,982,762	16,267,534	16,558,464	16,855,704	17,190,593	17,501,508	17,819,215	18,143,881	18,442,679	412,440,728
Arena Additional Use Fee Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	62,780,000
City Payment to NHL																25,000,000
City "Put" Right															40,000,000	40,000,000
Total - City Gets	14,317,059	14,596,179	14,852,325	15,113,920	15,431,098	15,703,998	15,982,762	16,267,534	16,558,464	16,855,704	17,190,593	17,501,508	17,819,215	18,143,881	58,442,679	540,220,728
City Gives																
Rights to Parking	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100,000,000
Arena Management Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	97,000,000
Extended Management Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	24,365,000
Renewal & Replacement	1,902,000	1,884,000	1,532,000	1,459,000	3,426,000	2,808,000	2,516,000	2,369,000	2,448,000	770,000	813,000	551,000	489,000	259,000	212,000	31,045,000
Total - City Gives	1,902,000	1,884,000	1,532,000	1,459,000	3,426,000	2,808,000	2,516,000	2,369,000	2,448,000	770,000	813,000	551,000	489,000	259,000	212,000	252,410,000
Net City Balance	12,415,059	12,712,179	13,320,325	13,654,920	12,005,098	12,895,998	13,466,762	13,898,534	14,110,464	16,085,704	16,377,593	16,950,508	17,330,215	17,884,881	58,230,679	287,810,728
Team Gets																
Sale of Parking Rights	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	100,000,000
Arena Management Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	97,000,000
Extended Management Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	24,365,000
Arena Revenues	53,630,000	54,742,000	55,885,000	57,055,000	58,253,000	60,000,590	61,800,608	63,654,626	65,564,265	67,531,193	69,557,128	71,643,842	73,793,158	76,006,952	78,287,161	1,599,344,522
Coyotes Operations	-10,000,000	-10,000,000	-10,000,000	-10,000,000	-10,000,000	-10,000,000	-10,000,000	-10,000,000	-10,000,000	-10,000,000	-10,000,000	-10,000,000	-10,000,000	-10,000,000	-10,000,000	(382,294,000)
Total - Team Gets	43,630,000	44,742,000	45,885,000	47,055,000	48,253,000	50,000,590	51,800,608	53,654,626	55,564,265	57,531,193	59,557,128	61,643,842	63,793,158	66,006,952	68,287,161	1,438,415,522
Team Gives																
Team's Use Covenant-30 years																169,300,000
Arena Expenses	31,218,062	32,154,034	33,118,555	34,112,422	35,135,454	36,189,518	37,275,203	38,393,459	39,545,263	40,731,621	41,953,570	43,212,177	44,508,542	45,843,798	47,219,112	948,023,857
Capital Expenditures	1,557,967	1,604,706	1,652,848	1,702,433	1,753,506	1,806,111	1,860,295	1,916,103	1,973,587	2,032,794	2,093,778	2,156,591	2,221,289	2,287,928	2,356,566	47,575,416
Total - Team Gives	32,776,029	33,758,740	34,771,402	35,814,855	36,888,960	37,995,629	39,135,498	40,309,563	41,518,850	42,764,415	44,047,348	45,368,768	46,729,831	48,131,726	49,575,678	1,164,899,272
Net Team Balance	10,853,971	10,983,260	11,113,598	11,240,145	11,364,040	12,004,961	12,665,110	13,345,063	14,045,415	14,766,777	15,509,781	16,275,074	17,063,326	17,875,226	18,711,483	273,516,250

Note: Figures related to Coyotes Operatio
Sources: Team and Arena Operational Rc

Estimated Revenue Cash Flow of Coyotes Agreement to Glendale

	FY	Net Arena Parking Revs	Coyotes Base Recovery Fees	Coyotes Rental Payments	Coyotes Ticket Surcharges	Coyotes Game Related Sales Taxes	Coyotes Arena Related COI Sales Taxes	Total - All Revenues
1	2011	4,596,827		512,500	1,452,000	773,685	263,337	7,598,349
2	2012	4,965,734		512,500	1,601,600	781,422	263,807	8,125,062
3	2013	5,274,082		512,500	1,755,600	789,236	263,339	8,594,757
4	2014	6,162,497		512,500	1,850,200	797,129	262,870	9,585,196
5	2015	6,413,012		512,500	1,947,000	805,100	262,401	9,940,014
6	2016	6,572,687		512,500	1,980,000	813,151	261,932	10,140,270
7	2017	6,736,348	1,320,000	512,500	2,013,000	821,283	287,608	11,690,738
8	2018	6,904,093	1,320,000	512,500	2,046,000	829,495	287,089	11,899,178
9	2019	7,076,026	1,320,000	512,500	2,079,000	837,790	286,571	12,111,887
10	2020	7,252,250	1,320,000	512,500	2,112,000	846,168	286,051	12,328,969
11	2021	7,432,873	1,320,000	512,500	2,145,000	854,630	285,531	12,550,534
12	2022	7,618,005	1,320,000	512,500	2,178,000	863,176	285,010	12,776,691
13	2023	7,807,758	1,320,000	512,500	2,211,000	871,808	284,489	13,007,554
14	2024	8,002,248	1,320,000	512,500	2,244,000	880,526	283,966	13,243,240
15	2025	8,201,593	1,320,000	1,100,000	2,277,000	889,331	283,444	14,071,368
16	2026	8,405,915	1,320,000	1,100,000	2,310,000	898,225	282,920	14,317,059
17	2027	8,615,337	1,320,000	1,100,000	2,343,000	907,207	310,635	14,596,179
18	2028	8,829,988	1,320,000	1,100,000	2,376,000	916,279	310,058	14,852,325
19	2029	9,049,998	1,320,000	1,100,000	2,409,000	925,442	309,480	15,113,920
20	2030	9,275,500	1,320,000	1,150,000	2,442,000	934,696	308,901	15,431,098
21	2031	9,506,633	1,320,000	1,150,000	2,475,000	944,043	308,322	15,703,998
22	2032	9,743,537	1,320,000	1,150,000	2,508,000	953,484	307,742	15,982,762
23	2033	9,986,355	1,320,000	1,150,000	2,541,000	963,018	307,161	16,267,534
24	2034	10,235,236	1,320,000	1,150,000	2,574,000	972,649	306,579	16,558,464
25	2035	10,490,332	1,320,000	1,150,000	2,607,000	982,375	305,997	16,855,704
26	2036	10,751,797	1,320,000	1,150,000	2,640,000	992,199	336,597	17,190,593
27	2037	11,019,791	1,320,000	1,150,000	2,673,000	1,002,121	336,597	17,501,508
28	2038	11,294,476	1,320,000	1,150,000	2,706,000	1,012,142	336,597	17,819,215
29	2039	11,576,021	1,320,000	1,150,000	2,739,000	1,022,263	336,597	18,143,881
30	2040	11,864,596	1,320,000	1,150,000	2,739,000	1,032,486	336,597	18,442,679
Total		<u>251,661,545</u>	<u>31,680,000</u>	<u>25,325,000</u>	<u>67,973,400</u>	<u>26,912,559</u>	<u>8,888,224</u>	<u>412,440,728</u>