

**MEMORANDUM**  
*City of St. Petersburg*

**TO:** The Honorable James Bennett, Chair, and Members of City Council

**THROUGH:** Rick Baker, Mayor

**FROM:** Rick Mussett, Sr. Administrator, City Development *RM*

**DATE:** Meeting of June 5, 2008

**SUBJECT:** Tampa Bay Rays' Request for a November 4, 2008 Referendum on the Al Lang Field Site

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As Council is aware, if you wish to leave open the option of the voters deciding whether or not to approve a referendum on the Rays' proposal to build a new ballpark on the Al Lang site, the process should be initiated on June 5, 2008. This would allow the Legal Department and the Administration to prepare and distribute notices required under the City Charter at least 35 days prior to first reading of the referendum ordinance, which would tentatively be set for July 17, 2008. A second reading/public hearing on the ordinance would be scheduled for August 7, 2008.

As you know, two critical issues that require further definition before a final vote on a referendum ordinance center around the Rays' proposed financing plan for the new ballpark and revenues that would be generated by the sale and redevelopment of the Tropicana Field site. Staff has continued to address these issues in order to provide as much clarification for Council as soon as possible. We have initiated discussions with the Rays on their proposed financing plan and the City and the Rays will be having further discussions with the County about the County's potential role in helping to finance the proposed ballpark, if a referendum is scheduled and approved.

It is also important to correlate the potential revenues that would be derived from the sale of the Tropicana Field site with the Rays' proposed financing plan. Two key questions we are attempting to address are: (1) will the Tropicana Field land sale proceeds offset the remaining City and County debt on the current stadium bonds?; and, (2) at buildout will the new tax revenues derived from the redevelopment of the Trop site equal or exceed the annual debt service on the proposed new ballpark? We have continued our discussions with Archstone-Madison and Hines in an effort to help address these questions, and we will provide a status report to Council next week. Staff would also like to receive Council's feedback on our status report at your June 5 meeting and we want to ensure Council has adequate time to consider which development proposal is in the best interest of the City. Therefore, we suggest Council discuss the matter on June 5, select a potential developer at your June 19 meeting, and that a Memorandum of Understanding (M.O.U.) be negotiated with the selected developer by August 1, 2008. It is also suggested that a financing plan, outlining sources and uses of funds for the

**new ballpark and a viable solution for retirement of the City's and County's existing Tropicana Field debt, be agreed upon in principle by the Rays, the City and the County by August 1, 2008. Resolution of these financial issues is impacted by negotiated dollar amounts, timing of payments, guarantees and related matters.**

**Specific objectives to be addressed by August 1 include the following:**

- 1. Finalize the estimated net present value (NPV) the City would derive from the sale of the Trop site, including:**
  - (a) NPV of sales transaction;**
  - (b) City's risk for the cost of demolishing the Trop; and,**
  - (c) Reduce the level of uncertainty related to the City's financial risk for potential future environmental clean-up of the Trop site to the greatest extent possible through additional environmental testing and monitoring. (NOTE: STAFF WILL PROVIDE A FULL BRIEFING FOR COUNCIL ON ENVIRONMENTAL ISSUES RELATED TO THE TROP SITE AT YOUR JUNE 5 MEETING).**
- 2. Provide a comparison of NPV from the sale of the Trop site to the cost of retiring the City's and County's share of the Trop's existing debt.**
- 3. Document the estimated net new taxes that would be generated by Phase I and buildout of the redeveloped Trop site between 2010 and 2046 (or an alternative date depending on the length of term that would be required for the new ballpark financing), after considering:**
  - (a) the proposed construction schedule for the redevelopment project.**
  - (b) any City off-site infrastructure costs that would be required to serve the new project; and,**
  - (c) the estimated annual cost of City services that would be required to serve the new land uses on the Trop site.**
- 4. Negotiate an M.O.U. between the City and the selected developer for the potential redevelopment of the Trop site, subject to the outcome of the referendum and a Final Disposition Agreement between the parties.**
- 5. Confirm Pinellas County's financial participation in the proposed new ballpark, subject to the outcome of the referendum (if one is scheduled) and a final Interlocal Agreement between the City and the County.**

6. **Negotiate an M.O.U. between the City and the Rays documenting major financing terms related to the construction of the proposed ballpark and operational business points for the ballpark, subject to the outcome of the referendum and the current Tropicana Field Use Agreement remaining in force and effect if the new ballpark project is not approved.**
7. **Provide a comparison of the net new tax revenues that would be generated by the proposed redevelopment of the Trop site to the debt service requirements for the proposed new ballpark, assuming:**
  - (a) **County participation in the project; and,**
  - (b) **the City and the Rays agree to a financing plan acceptable to the City as documented in an M.O.U.**

### **SUMMARY**

**Given the Charter requirements noted previously in this report, it is suggested that Council initiate the referendum notification process on June 5 if you want to retain the option to allow the public to vote on the Rays' ballpark proposal. By initiating this notification process on June 5, Council would reserve the option to schedule a November 4 referendum, but the City would not be irrevocably committed to conduct a referendum on November 4 unless the referendum ordinance is adopted on August 7, 2008. A draft resolution initiating the referendum notification process is attached for your consideration, if you wish to initiate the process.**

**Attachment – Draft resolution**

**cc: Tish Elston  
John Wolfe  
Mike Connors  
Mark Winn**

A RESOLUTION AUTHORIZING CITY ADMINISTRATION TO PROCEED WITH PROVIDING THE CITY CHARTER REQUIRED NOTICES TO CERTAIN SURROUNDING OWNERS AND RESIDENTS THAT THE CITY IS CONSIDERING CONDUCTING A REFERENDUM IN NOVEMBER 2008 TO AUTHORIZE THE CITY TO ENTER INTO A LONG-TERM LEASE FOR AL LANG FIELD AND ALL OR A PORTION OF TWO ABUTTING PARK PARCELS AND SUBMERGED LAND AND TO TRANSFER THE CITY'S INTEREST IN THOSE PROPERTIES TO PINELLAS COUNTY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, City Council has been presented with a proposal for the use of park property which would require approval by the voters at a referendum; and

WHEREAS, there is a general election in November, 2008 that would provide a cost effective vehicle for presenting this proposal to the voters; and

WHEREAS, in order to preserve the option for a November, 2008 referendum on this proposal, it is necessary for the Administration to provide the City Charter required notices to owners and residents located within 200 yards of the property that would be the subject of the referendum question(s); and

WHEREAS, providing this notice is not approval of the referendum question(s); and

WHEREAS, the referendum question(s) would be the subject of one or more ordinances which could be denied at any time before August 15, 2008 and, if denied, there would be no referendum.

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of St. Petersburg, Florida that City Administration is authorized to provide the City Charter required notices to surrounding owners and residents that the City is considering conducting a referendum in November, 2008 to authorize entering into a long-term lease for Al Lang Field and for all or a portion of two abutting park parcels and submerged land, and transferring the City's ownership interest in those properties to Pinellas County..

This Resolution shall become effective immediately upon its adoption.

Approved as to form and content:

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City Attorney (designee)

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