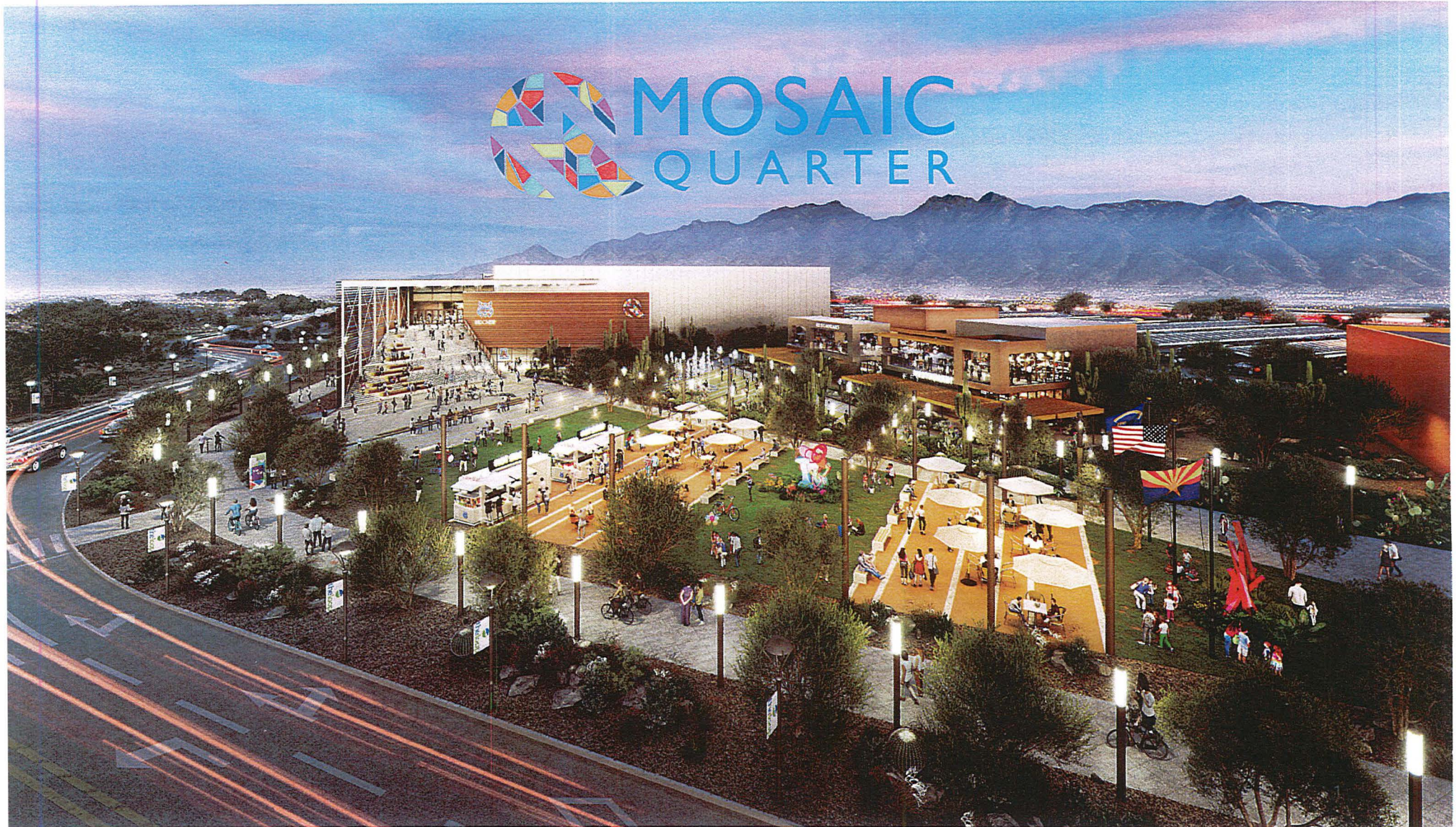


AGENDA MATERIAL

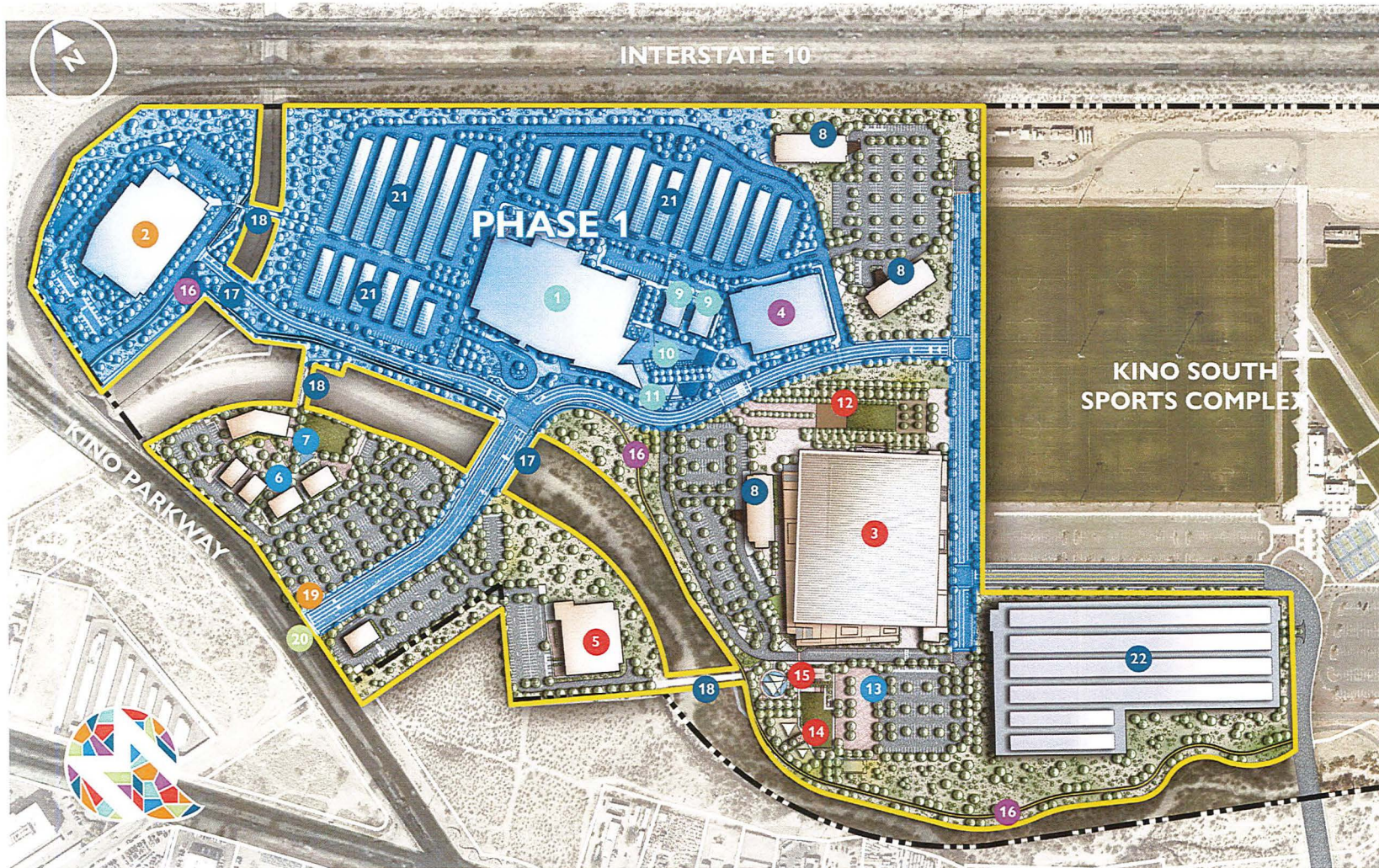
DATE 3/5/24

ITEM NO. RA 29-31



MAR 05'24PM01:44 PC CLK OF BD

AW



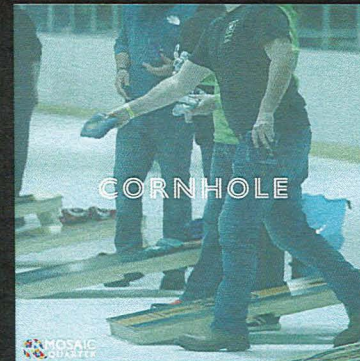
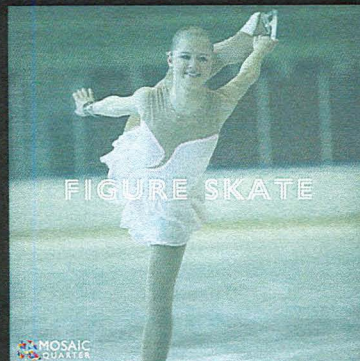
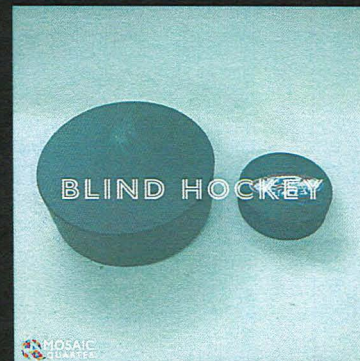
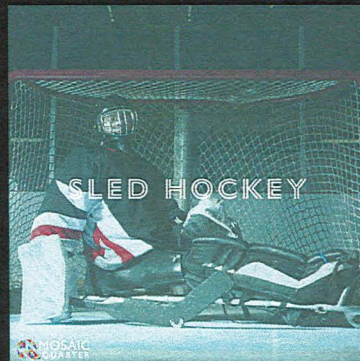
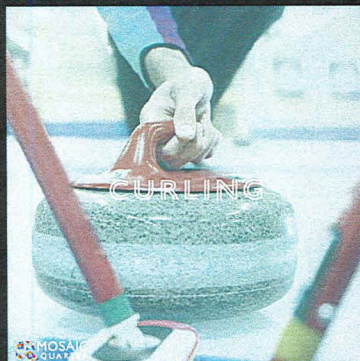
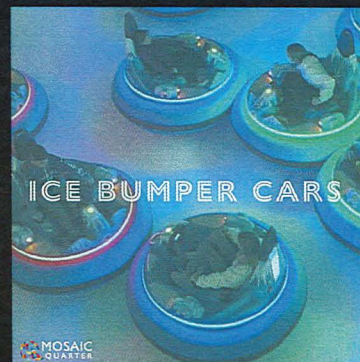
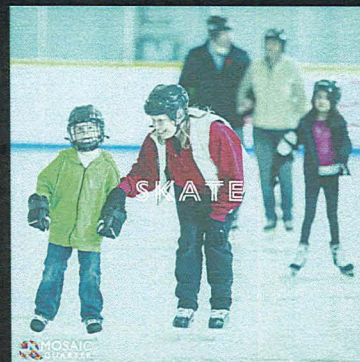
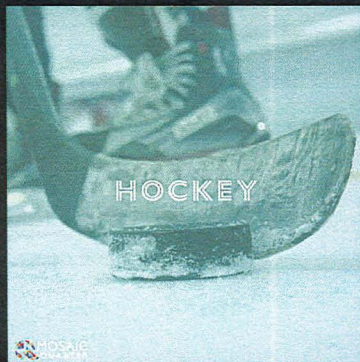
MOSAIC QUARTER SITE PLAN

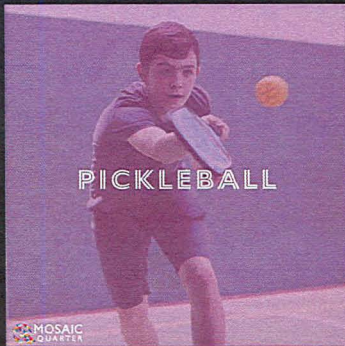




FIELD
HOUSE

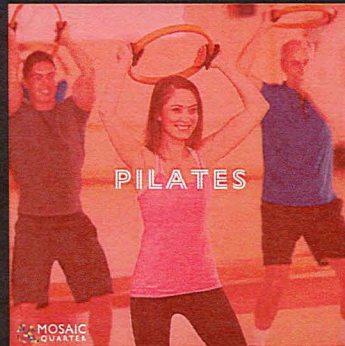






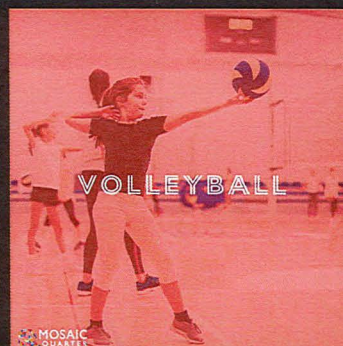
PICKLEBALL

MOSAIC
QUARTER



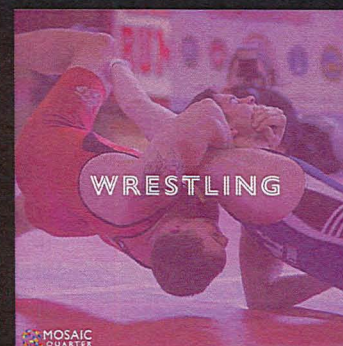
PILATES

MOSAIC
QUARTER



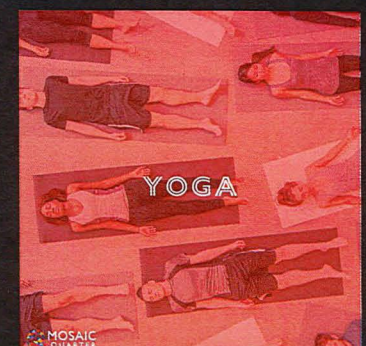
VOLLEYBALL

MOSAIC
QUARTER



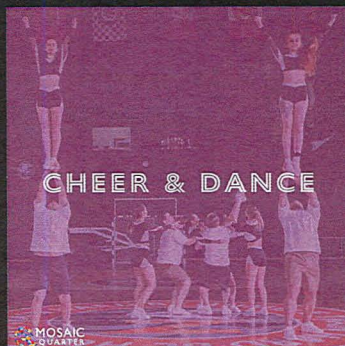
WRESTLING

MOSAIC
QUARTER



YOGA

MOSAIC
QUARTER



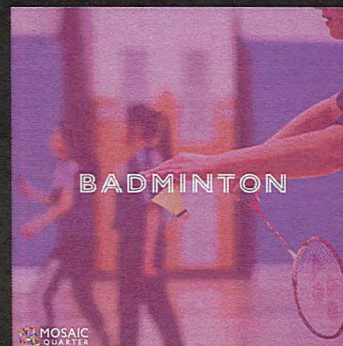
CHEER & DANCE

MOSAIC
QUARTER



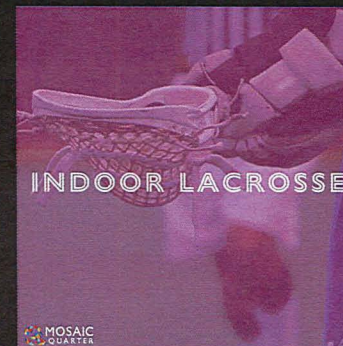
FLAG FOOTBALL

MOSAIC
QUARTER



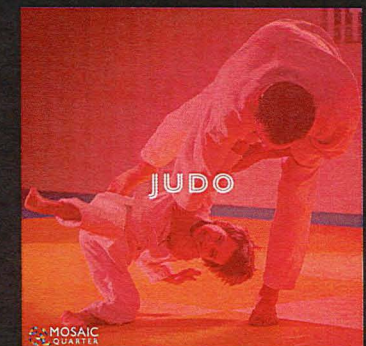
BADMINTON

MOSAIC
QUARTER



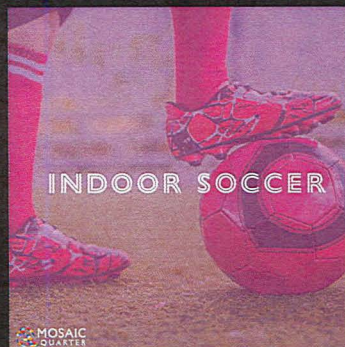
INDOOR LACROSSE

MOSAIC
QUARTER



JUDO

MOSAIC
QUARTER



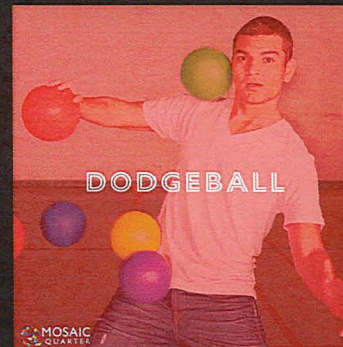
INDOOR SOCCER

MOSAIC
QUARTER



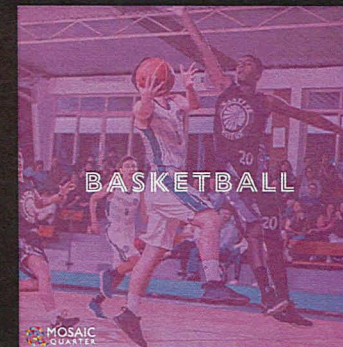
7 ON 7

MOSAIC
QUARTER



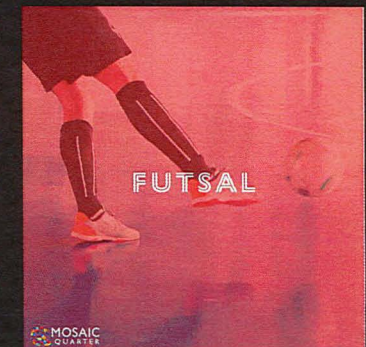
DODGEBALL

MOSAIC
QUARTER



BASKETBALL

MOSAIC
QUARTER



FUTSAL

MOSAIC
QUARTER





ANNUAL CHILD PARTICIPATION SUPPORT

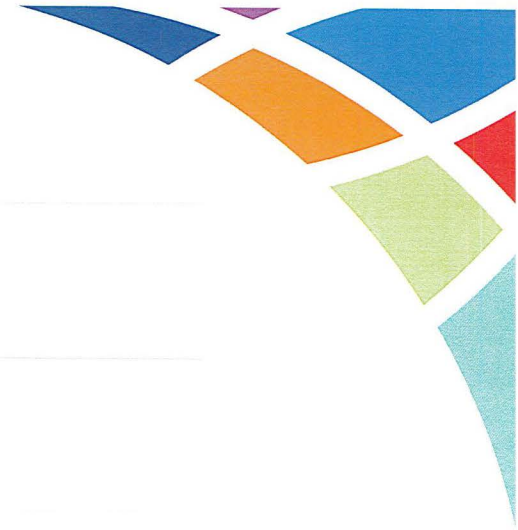
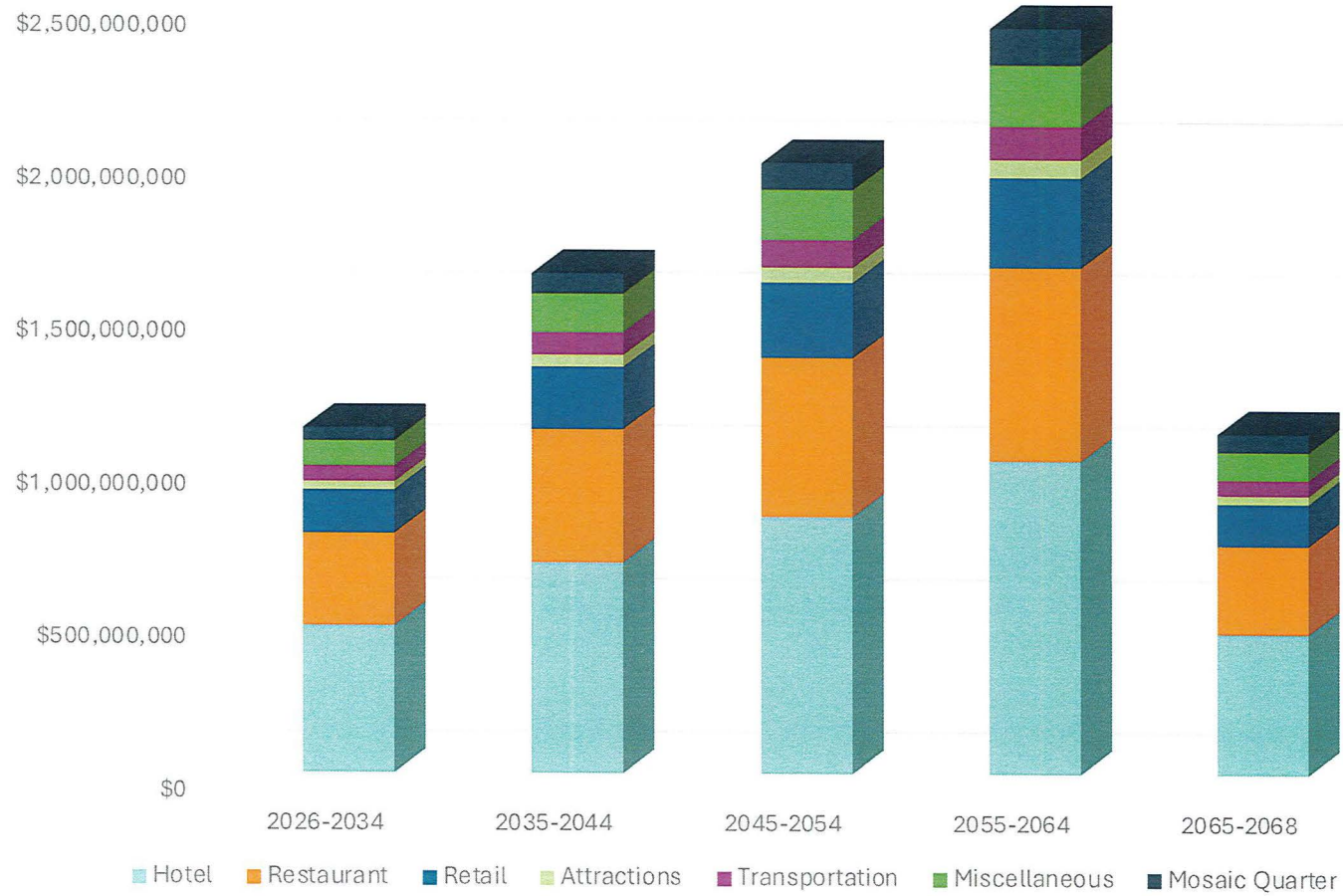
	SKATING & HOCKEY INSTRUCTION	210		HEALTH, WELLNESS & MARTIAL ARTS	350
	ICE SPORTS RECREATION	3,880		ADAPTIVE SPORTS	350
	FIELD HOUSE REC LEAGUES	1,960		ENTERTAINMENT	2,000

 **\$1.5 M** Annual Grant Budget for Mosaic Quarter Programming

 **8,600** Underserved Youth Assisted Annually

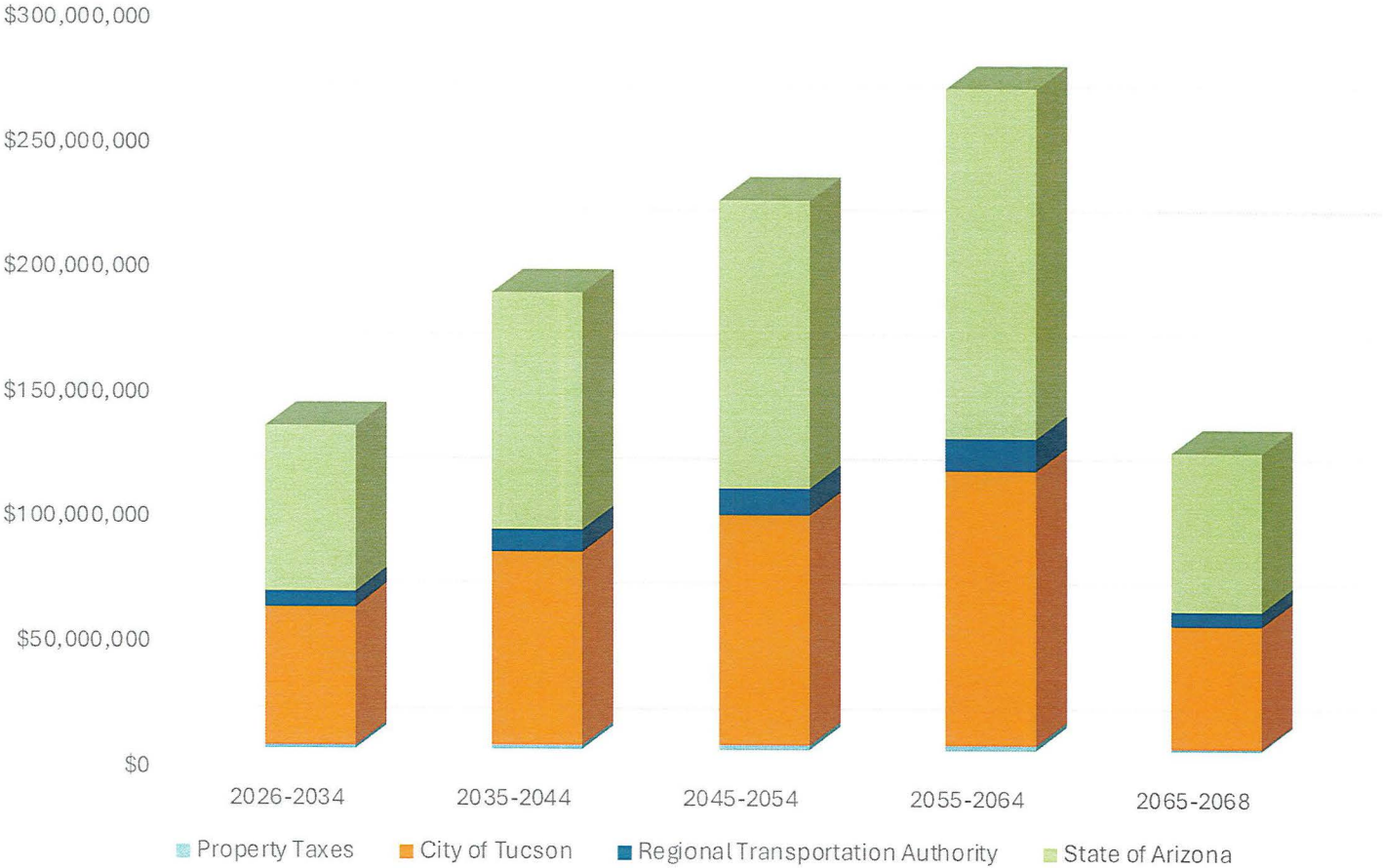
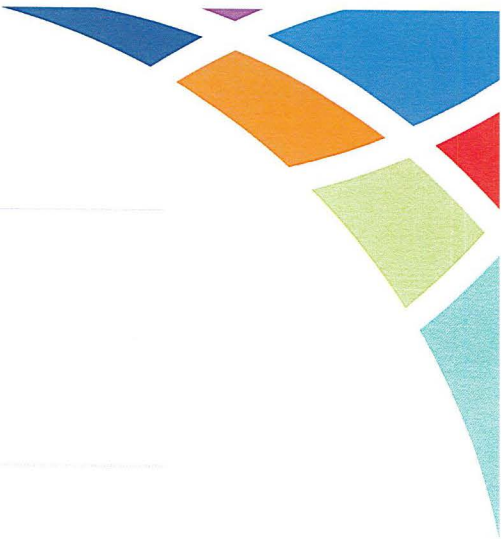


\$8,310,000,000 OF NEW LOCAL SPENDING



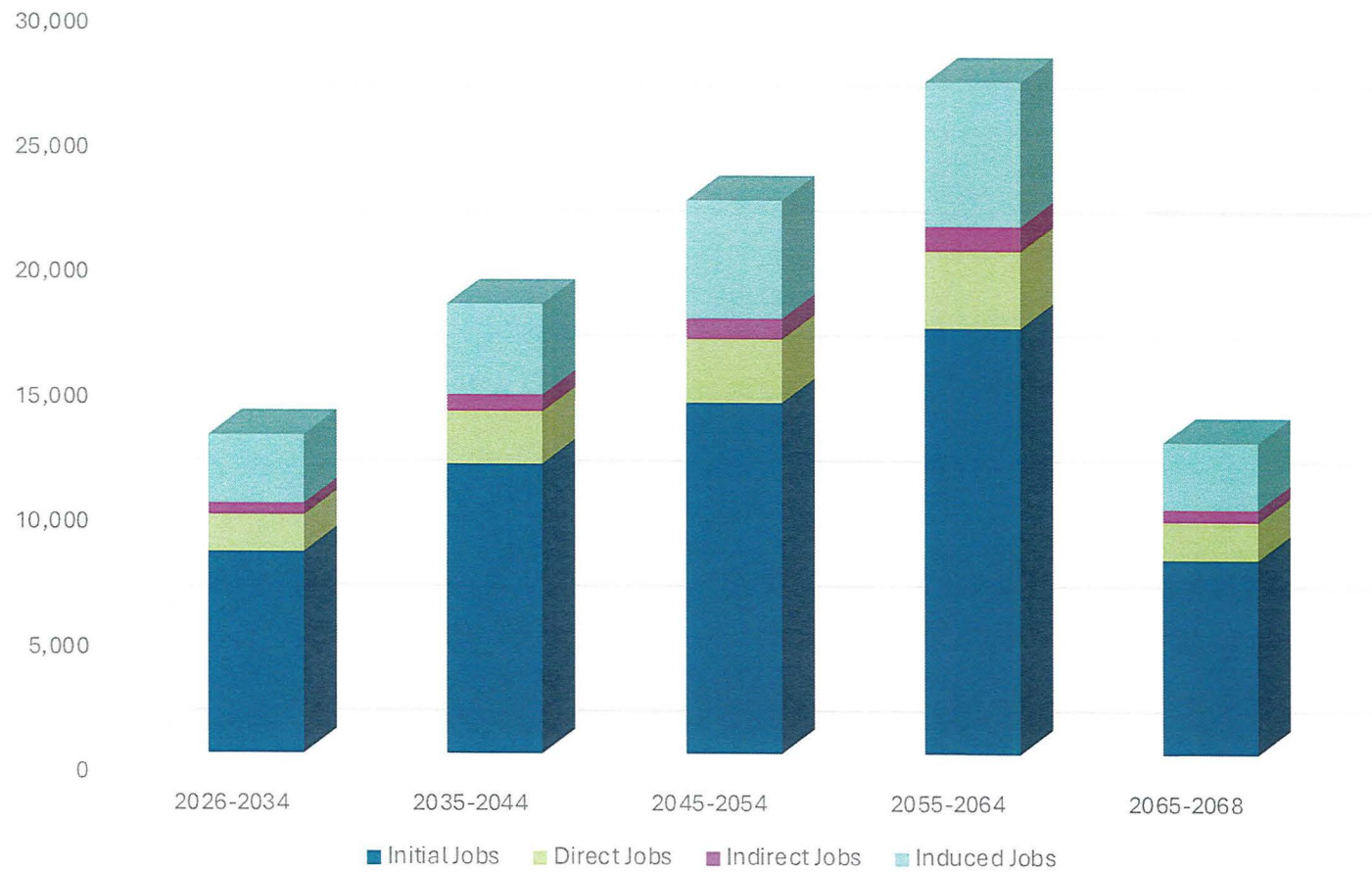
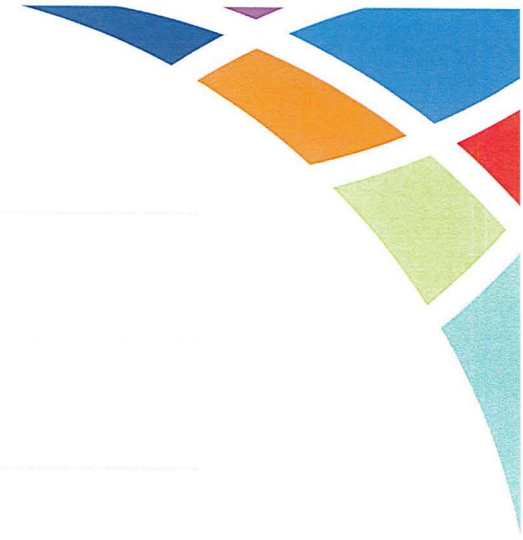


\$917,770,000 NEW TAX REVENUE



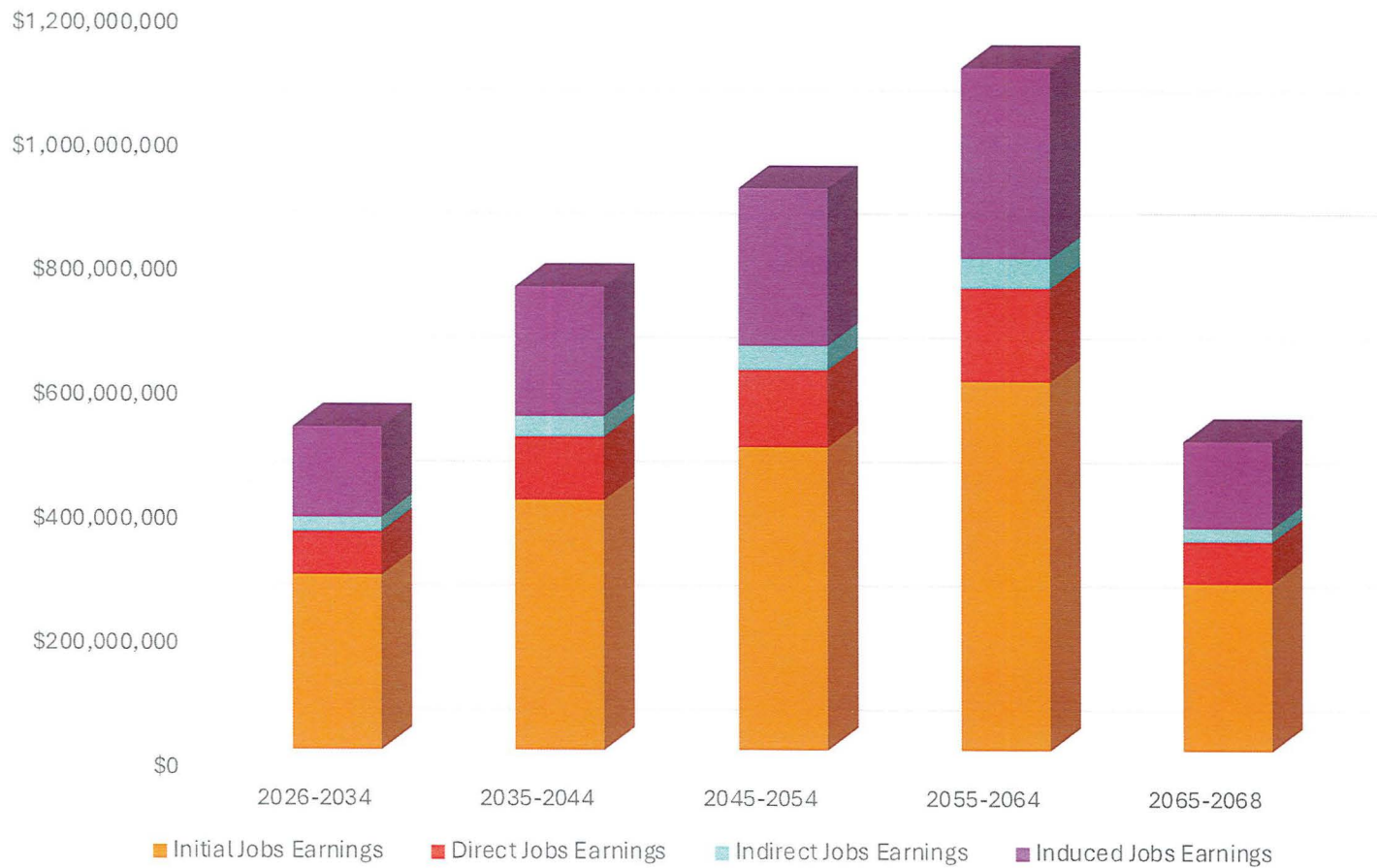
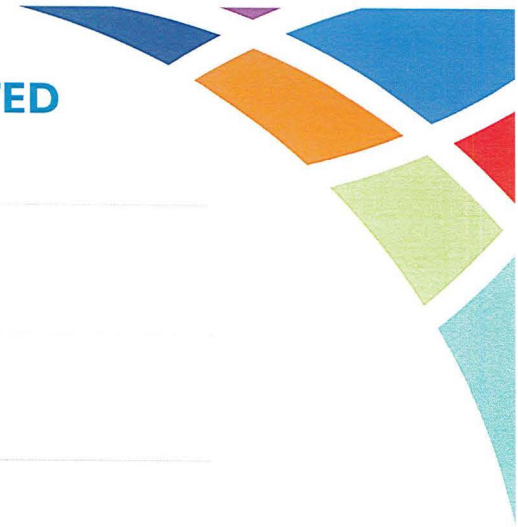


92,300 COMMUNITY JOBS SUPPORTED



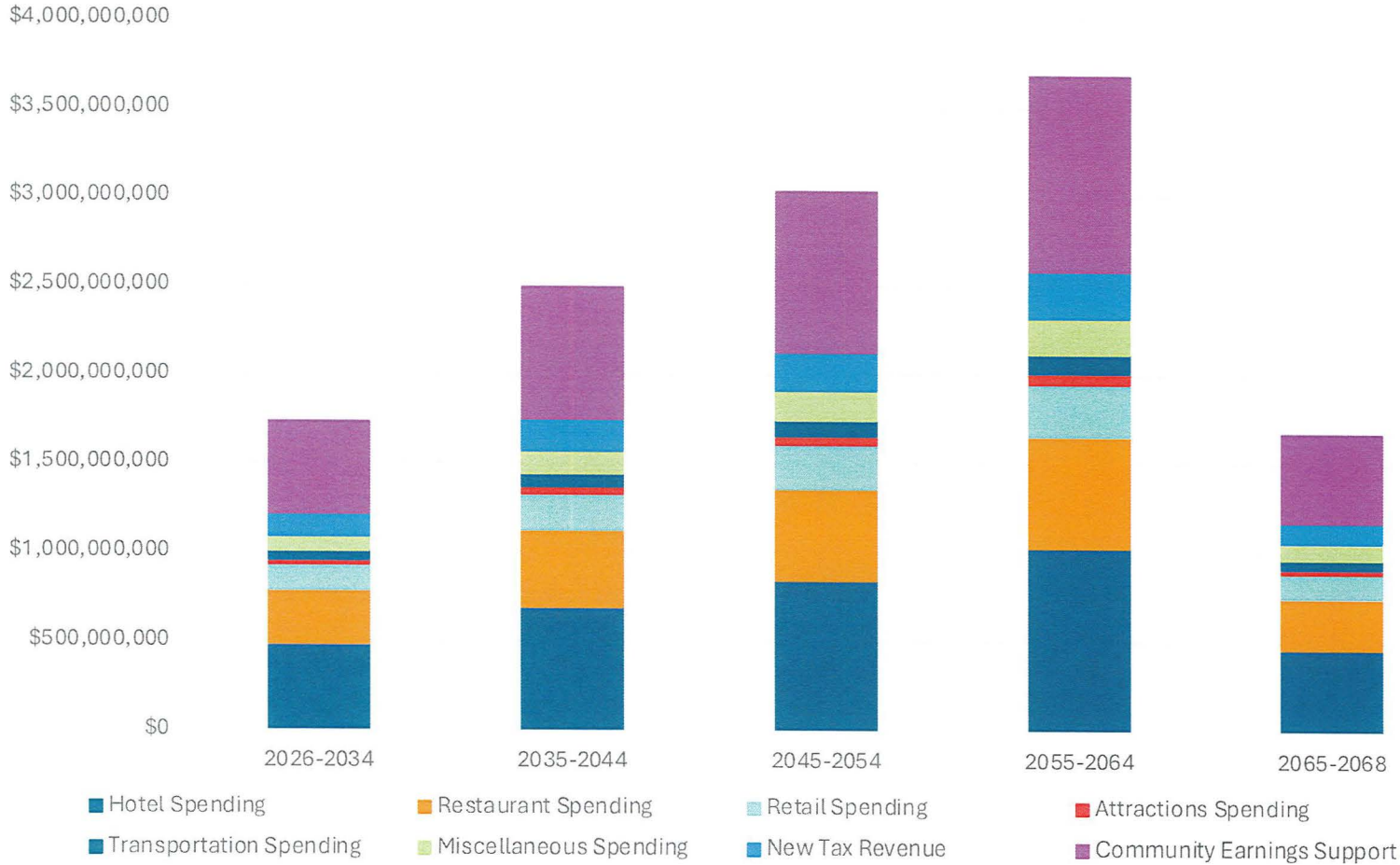
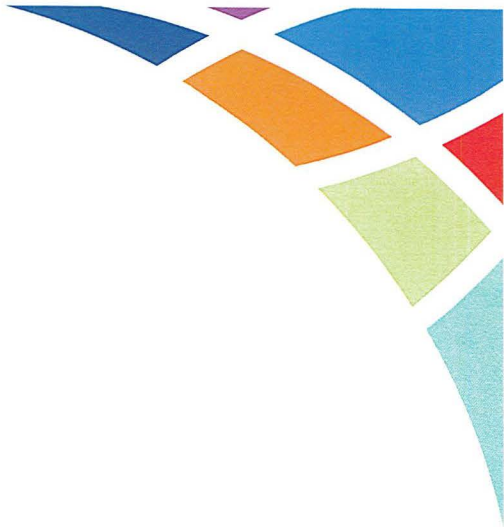


\$3,776,000,000 COMMUNITY EARNINGS SUPPORTED



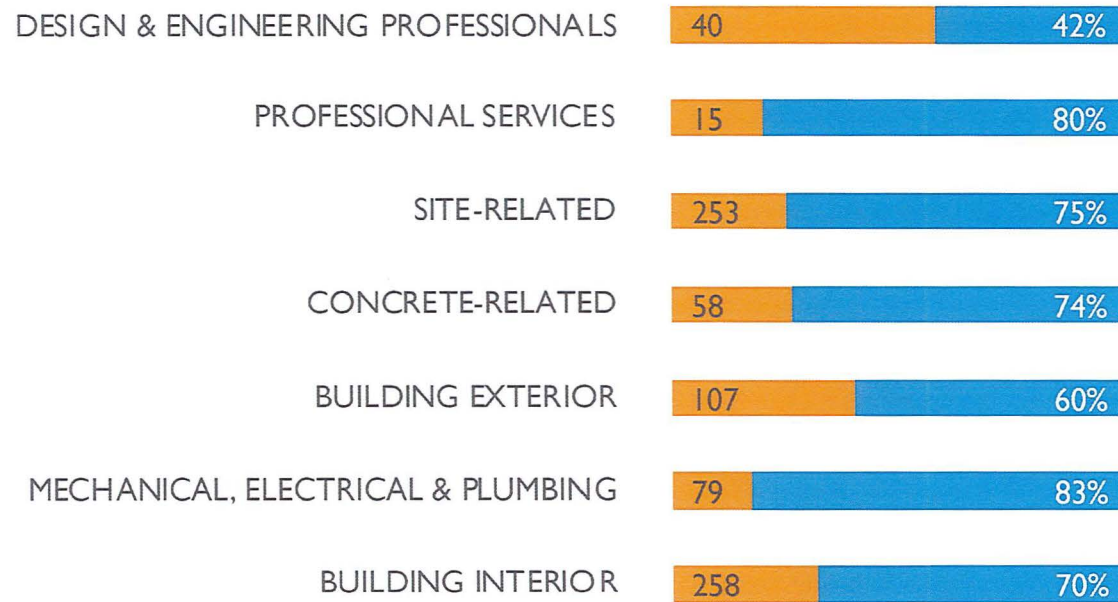


\$12,500,000,000 TOTAL FINANCIAL IMPACT





MQ COMMUNITY IMPACT - PHASE I DEVELOPMENT & CONSTRUCTION JOBS SUPPORT



JOBS SUPPORTED



LOCAL PERCENTAGE



MOSAIC QUARTER CASH FLOW ALLOCATED TO PIMA COUNTY



\$673.8M TOTAL

\$15.6M OVERALL AVERAGE ANNUAL ALLOCATON

\$6.4M AVERAGE ANNUAL ALLOCATON DURING
DEBT SERVICE PERIOD



MOSAIC QUARTER REVENUE GENERATION



183 LINES OF BUSINESS REVENUE

30 CONTRACTUAL REVENUE BUSINESS LINES

153 NON-CONTRACTUAL REVENUE BUSINESS LINES

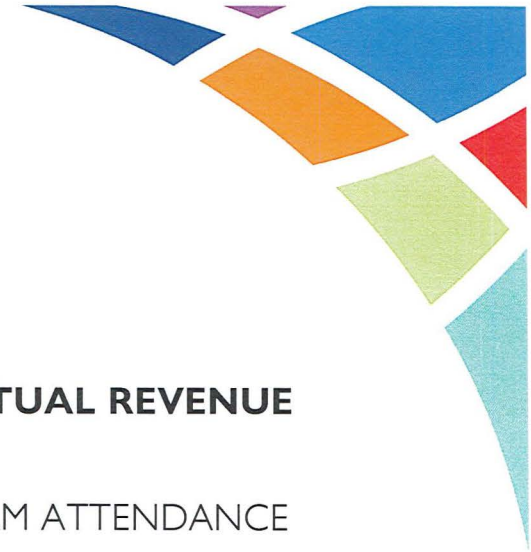
0.55% AVERAGE BUSINESS LINE PORTION OF GROSS REVENUE

\$16 AVERAGE COST PER ACTIVITY SESSION

11.6% TRAVEL SPORTS TOURISM SHARE OF GROSS REVENUE



EXAMPLES OF REVENUE TYPES



CONTRACTUAL REVENUE

EXCLUSIVE USE BY ORGANIZATION

MULTI-YEAR AGREEMENTS

TUCSON ADULT HOCKEY LEAGUE

UNIVERSITY OF ARIZONA HOCKEY

TOURNAMENTS & EVENTS

FACILITY SPONSORSHIPS

NON-CONTRACTUAL REVENUE

WALK-UP PROGRAM ATTENDANCE

RECREATION LEAGUE SIGN-UPS

BASKETBALL LEAGUES

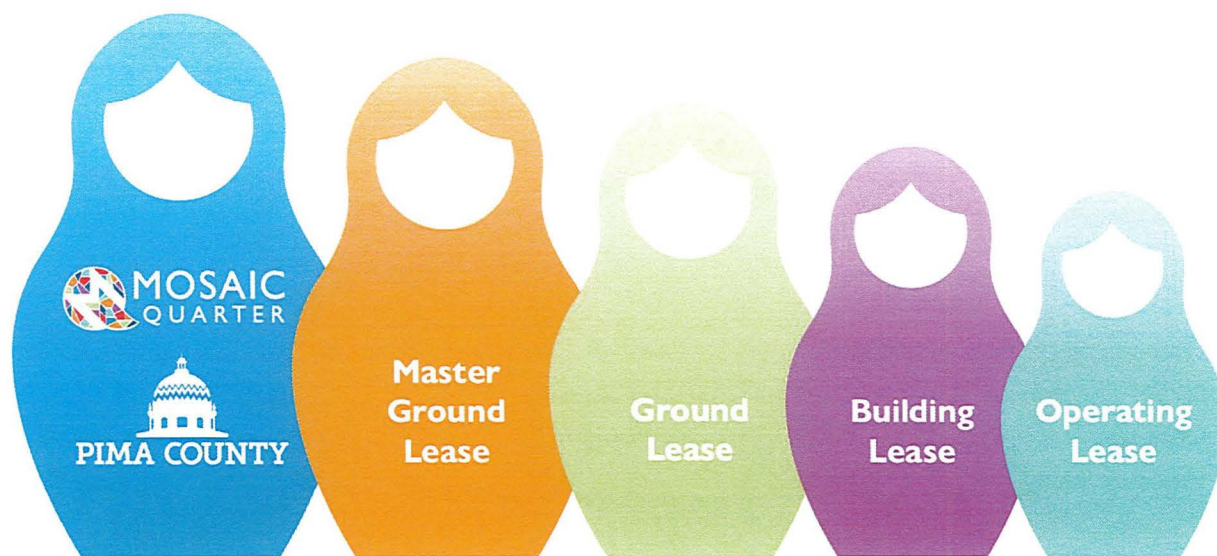
ICE BUMPER CARS

ICE SKATING LESSONS

HOCKEY CLINICS



MOSAIC QUARTER LEGAL STRUCTURE





MOSAIC QUARTER FINANCIAL STRUCTURE



PHASE I SUBLEASE CASH FLOW

PIMA COUNTY
MQD PHASE I OPERATIONS LLC

LANDLORD
TENANT

TENANT FACILITIES OPERATIONS REVENUE

MO ICEPLEX \$1,701,021,985
MO FIELD HOUSE \$918,496,577

TOTAL TENANT OPERATIONS REVENUE \$2,619,518,562

TENANT OPERATIONS EXPENSE

MANAGEMENT EXPENSE \$182,684,169
UTILITIES & INSURANCE \$81,615,851
RESERVES & CAM \$53,159,181

TOTAL TENANT OPERATIONS EXPENSE \$317,459,202

TENANT RENT TO LANDLORD

BASIC RENT (Equal to Debt Service) \$1,043,835,012
SECOND LEVEL RENT (Equal to Property Taxes) \$7,391,781
THIRD LEVEL RENT (Equal to Ground Rent) \$25,513,540

REMAINING CASH FLOW \$1,225,319,027

CASH FLOW RENT (Equal to 100% Remaining Cash Flow) \$1,225,319,027



MOSAIC QUARTER FINANCIAL STRUCTURE



PHASE I SUBLEASE CASH FLOW			
PIMA COUNTY MQD PHASE I OPERATIONS LLC		LANDLORD TENANT	
TENANT FACILITIES OPERATIONS REVENUE			
MOJCEPLEX	\$1,701,021,985		
MO FIELD HOUSE	\$918,496,577		
TOTAL TENANT OPERATIONS REVENUE			\$2,619,518,562
TENANT OPERATIONS EXPENSE			
MANAGEMENT FEE	\$182,684,169		
UTILITIES & INSURANCE	\$81,615,851		
RESERVES & CAM	\$53,159,181		
TOTAL TENANT OPERATIONS EXPENSE			\$317,459,202
TENANT RENT TO LANDLORD			
BASIC RENT (Equal to Debt Service)			\$1,043,835,012
SECOND LEVEL RENT (Equal to Property Taxes)			\$7,391,781
THIRD LEVEL RENT (Equal to Ground Rent)			\$25,513,540
REMAINING CASH FLOW			\$1,225,319,027
CASH FLOW RENT (Equal to 100% Remaining Cash Flow)			\$1,225,319,027



PHASE I LEASE CASH FLOW			
MQD PHASE I LLC PIMA COUNTY		LANDLORD/OWNER TENANT	
TENANT REVENUE (from Phase I Sublease Tenant Rent Payments)			
BASIC RENT	\$1,043,835,012		
SECOND LEVEL RENT	\$7,391,781		
THIRD LEVEL RENT	\$25,513,540		
ADDITIONAL RENT	\$0		
CASH FLOW RENT	\$1,225,319,027		
TOTAL TENANT REVENUE (from Phase I Sublease)			\$2,302,059,360
TENANT RENT TO LANDLORD			
BASIC RENT (Equal to Debt Service)			\$1,043,835,012
SECOND LEVEL RENT (Equal to Property Taxes)			\$7,391,781
THIRD LEVEL RENT (Equal to Ground Rent)			\$25,513,540
REMAINING CASH FLOW			\$1,225,319,027
CASH FLOW RENT (Equal to 45% Remaining Cash Flow)			\$551,393,562
RETAINED CASH FLOW (55% of Remaining Cash Flow) (transferred to Pima County Phase I Lease Reserve)			\$673,925,465





MOSAIC QUARTER FINANCIAL STRUCTURE



PHASE I SUBLEASE CASH FLOW			
PIMA COUNTY MQD PHASE I OPERATIONS LLC		LANDLORD TENANT	
TENANT FACILITIES OPERATIONS REVENUE			
MQ ICEPLEX	\$1,701,071,985		
MQ FIELD HOUSE	\$918,496,577		
TOTAL TENANT OPERATIONS REVENUE			\$2,619,518,562
TENANT OPERATIONS EXPENSE			
MANAGEMENT EXPENSE	\$182,684,169		
UTILITIES & INSURANCE	\$81,615,851		
RESERVES & CAM	\$53,159,181		
TOTAL TENANT OPERATIONS EXPENSE			\$317,459,202
TENANT RENT TO LANDLORD			
BASIC RENT (Equal to Debt Service)			\$1,043,835,012
SECOND LEVEL RENT (Equal to Property Taxes)			\$7,391,781
THIRD LEVEL RENT (Equal to Ground Rent)			\$25,513,540
REMAINING CASH FLOW			\$1,225,319,027
CASH FLOW RENT (Equal to 100% Remaining Cash Flow)			\$1,225,319,027



PHASE I LEASE CASH FLOW			
MQD PHASE I LLC PIMA COUNTY		LANDLORD/OWNER TENANT	
TENANT REVENUE (from Phase I Sublease Tenant Rent Payments)			
BASIC RENT	\$1,043,835,012		
SECOND LEVEL RENT	\$7,391,781		
THIRD LEVEL RENT	\$25,513,540		
ADDITIONAL RENT	\$0		
CASH FLOW RENT	\$1,225,319,027		
TOTAL TENANT REVENUE (from Phase I Sublease)			\$2,302,059,360
TENANT RENT TO LANDLORD			
BASIC RENT (Equal to Debt Service)			\$1,043,835,012
SECOND LEVEL RENT (Equal to Property Taxes)			\$7,391,781
THIRD LEVEL RENT (Equal to Ground Rent)			\$25,513,540
REMAINING CASH FLOW			\$1,225,319,027
CASH FLOW RENT (Equal to 45% Remaining Cash Flow)			\$551,393,562
RETAINED CASH FLOW (55% of Remaining Cash Flow) (transferred to Pima County Phase I Lease Reserve)			\$673,925,465



PHASE I GROUND LEASE CASH FLOW			
MOSAIC QUARTER DEVELOPMENT LLC MQD PHASE I LLC		LANDLORD TENANT	
TENANT REVENUE (from Phase I Lease Tenant Rent Payments)			
BASIC RENT	\$1,043,835,012		
SECOND LEVEL RENT	\$7,391,781		
THIRD LEVEL RENT	\$25,513,540		
ADDITIONAL RENT	\$0		
CASH FLOW RENT	\$551,393,562		
TOTAL TENANT REVENUE (from Phase I Lease)			\$1,628,133,895
TENANT EXPENSES			
DEBT SERVICE			\$1,043,835,012
PROPERTY TAXES			\$7,391,781
TENANT RENT TO LANDLORD			
BASIC RENT (Equal to Ground Rent)			\$25,513,540
REMAINING CASH FLOW			\$551,393,562
CASH FLOW RENT (Equal to 100% Remaining Cash Flow)			\$551,393,562



MOSAIC QUARTER FINANCIAL STRUCTURE



Operating Lease

PHASE I SUBLEASE CASH FLOW	
PIMA COUNTY MQD PHASE I OPERATIONS LLC	LANDLORD TENANT
TENANT FACILITIES OPERATIONS REVENUE	
MQ ICEPLEX	\$1,701,021,985
MQ FIELD HOUSE	\$918,496,577
TOTAL TENANT OPERATIONS REVENUE	\$2,619,518,562
TENANT OPERATIONS EXPENSE	
MANAGEMENT EXPENSE	\$182,684,169
UTILITIES & INSURANCE	\$81,615,851
RESERVES & CAM	\$53,159,181
TOTAL TENANT OPERATIONS EXPENSE	\$317,459,202
TENANT RENT TO LANDLORD	
BASIC RENT (Equal to Debt Service)	\$1,043,835,012
SECOND LEVEL RENT (Equal to Property Taxes)	\$7,391,781
THIRD LEVEL RENT (Equal to Ground Rent)	\$25,513,540
REMAINING CASH FLOW	\$1,225,319,027
CASH FLOW RENT (Equal to 100% Remaining Cash Flow)	\$1,225,319,027



Building Lease

PHASE I LEASE CASH FLOW	
MQD PHASE I LLC PIMA COUNTY	LANDLORD/OWNER TENANT
TENANT REVENUE (from Phase I Sublease Tenant Rent Payments)	
BASIC RENT	\$1,043,835,012
SECOND LEVEL RENT	\$7,391,781
THIRD LEVEL RENT	\$25,513,540
ADDITIONAL RENT	\$0
CASH FLOW RENT	\$1,225,319,027
TOTAL TENANT REVENUE (from Phase I Sublease)	\$2,302,059,360
TENANT RENT TO LANDLORD	
BASIC RENT (Equal to Debt Service)	\$1,043,835,012
SECOND LEVEL RENT (Equal to Property Taxes)	\$7,391,781
THIRD LEVEL RENT (Equal to Ground Rent)	\$25,513,540
REMAINING CASH FLOW	\$1,225,319,027
CASH FLOW RENT (Equal to 45% Remaining Cash Flow)	\$551,393,562
RETAINED CASH FLOW (55% of Remaining Cash Flow) (transferred to Pima County Phase I Lease Reserve)	\$673,925,465



Ground Lease

PHASE I GROUND LEASE CASH FLOW	
MOSAIC QUARTER DEVELOPMENT LLC MQD PHASE I LLC	LANDLORD TENANT
TENANT REVENUE (from Phase I Lease Tenant Rent Payments)	
BASIC RENT	\$1,043,835,012
SECOND LEVEL RENT	\$7,391,781
THIRD LEVEL RENT	\$25,513,540
ADDITIONAL RENT	\$0
CASH FLOW RENT	\$551,393,562
TOTAL TENANT REVENUE (from Phase I Lease)	\$1,628,133,895
TENANT EXPENSES	
DEBT SERVICE	\$1,043,835,012
PROPERTY TAXES	\$7,391,781
TENANT RENT TO LANDLORD	
BASIC RENT (Equal to Ground Rent)	\$25,513,540
REMAINING CASH FLOW	\$551,393,562
CASH FLOW RENT (Equal to 100% Remaining Cash Flow)	\$551,393,562



Master Ground Lease

MASTER GROUND LEASE CASH FLOW	
PIMA COUNTY MOSAIC QUARTER DEVELOPMENT LLC	LANDLORD TENANT
TENANT REVENUE (from Phase I Lease Tenant Rent Payments)	
BASIC RENT	\$25,513,540
ADDITIONAL RENT	\$0
CASH FLOW RENT	\$551,393,562
TOTAL TENANT REVENUE (from Phase I Ground Lease)	\$576,907,102
TENANT RENT TO LANDLORD	
GROUND RENT	\$25,513,540



PROTECTING PIMA COUNTY FROM FINANCIAL EXPOSURE

PRIORITIZATION OF CASH FLOW FOR DEBT SERVICE

MOSAIC QUARTER CASH FLOW RESERVE	\$19.68M (2026-2027)
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MOSAIC QUARTER DEBT SERVICE RESERVE	\$99.52M (2027-2056)
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PIMA COUNTY CASH FLOW RESERVE	\$199.76M (2026-2056)
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PROTECTING PIMA COUNTY AGAINST COMPLETION DELAY



HENSEL PHELPS
Plan. Build. Manage.



KNOTT
DEVELOPMENT

SCALED DESIGN BUILD DAMAGES EQUAL TO DAILY AMOUNT OF DEBT SERVICE ACCRUAL



PROTECTING PIMA COUNTY AGAINST COMPLETION DELAY



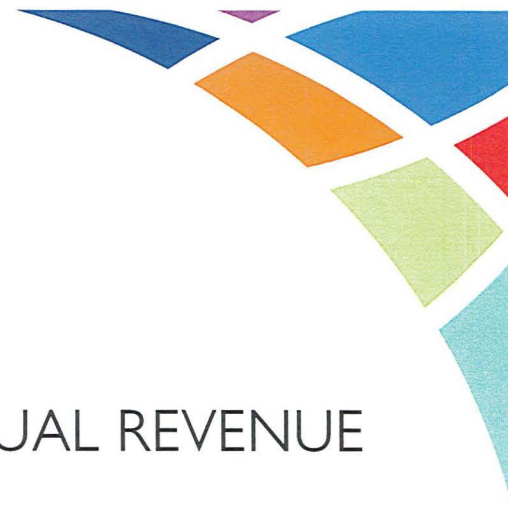
12.5 MONTHS WITHOUT DEBT SERVICE FROM MQ FIELD HOUSE OPENING

TOTAL OF \$60,900,000 AVAILABLE UNDER FINANCING TO ADDRESS DELAYED COMPLETION

36 MONTH COMPLETION DELAY SUSTAINABLE THRU 9-15-2029



FINANCIAL STRESS TEST



MAXIMUM DROP IN PROJECTED NON-CONTRACTUAL REVENUE

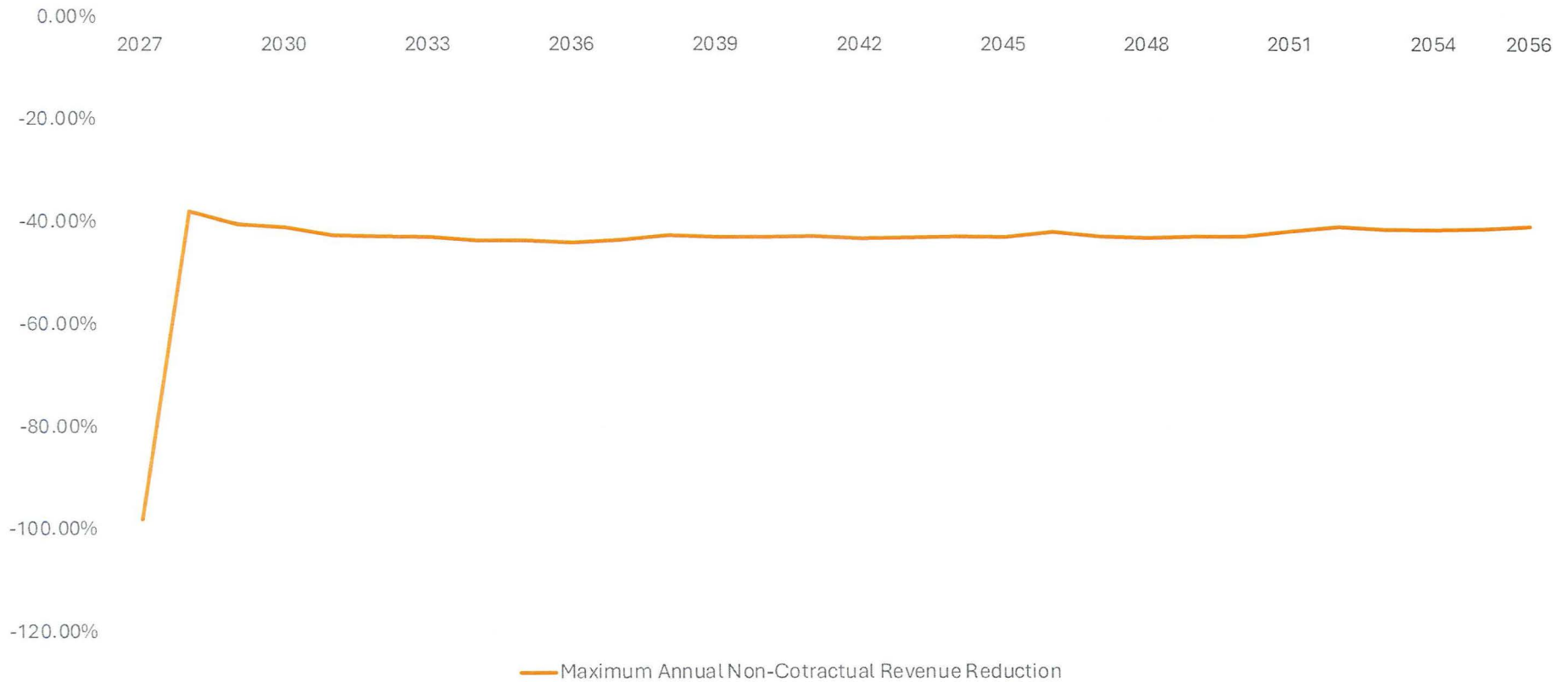
TESTED ACROSS THE ENTIRE DEBT SERVICE PERIOD
2027 THROUGH 2056

DESIGNED TO DETERMINE THE MAXIMUM INDIVIDUAL AND SYSTEMIC DECLINE
IN A LA CARTE REVENUE WHILE SATISFYING ALL FINANCIAL OBLIGATIONS



MAXIMUM ANNUAL DROP IN NON-CONTRACTUAL REVENUE

SATISFACTION OF ALL FINANCIAL OBLIGATIONS WITH 44.23%
AVERAGE NON-CONTRACTUAL REVENUE REDUCTION



FINANCIAL OBLIGATIONS INCLUDE OPERATING EXPENSES, DEBT SERVICE, PROPERTY TAXES & GROUND RENT



FINANCIAL STRESS TEST



40% DROP IN TOTAL PROJECTED REVENUE

APPLIED ACROSS THE ENTIRE DEBT SERVICE PERIOD
2027 THROUGH 2056

DESIGNED TO TEST COUNTY FINANCIAL EXPOSURE
TO A SYSTEMIC DECLINE IN REVENUE

40% REVENUE DECLINE - PIMA COUNTY RISK EXPOSURE

