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Arizona Sports Complex Bondholders All But Wiped Out in Deal.

- **Investor agrees to pay \$25.5 million for complex near Phoenix**
- **Holder of \$280 million debt get \$2.2 million cash, 11% equity**

Mutual funds that purchased \$280 million of municipal debt to finance a 320-acre youth-sports complex near Phoenix would be virtually wiped out under a preliminary deal struck in the bankruptcy case.

Miami-based Burke Operating Partners agreed in principal to purchase Legacy Park for \$25.5 million, with most of the proceeds going to building contractors for unpaid work. Bondholders would receive \$2.2 million in cash and 11% of preferred equity in a new company that would own the facility according to an agreement outlined in a bankruptcy court hearing late Tuesday. It would need to be approved in the bankruptcy process to take effect.

Legacy Park has enough cash to remain open while the parties work to close the deal by the end of the November, said Keith Bierman, the complex's chief restructuring officer.

Legacy Cares filed for bankruptcy in May, saying construction setbacks, labor shortages and supply-chain delays amid the pandemic led to the park's delayed opening and resulted in lost revenue. Mutual funds including the Vanguard Group and AllianceBernstein Holdings LP hold the \$280 million of Legacy Cares bonds issued by an Arizona agency. The bonds last traded on Aug. 23 for 10 cents on the dollar.

In addition to labor shortages, Legacy Park was also plagued by poor execution of restaurant and concession operations. In all, Legacy Park brought in just \$27.7 million in 2022, far short of its nearly \$100 million projection. It was losing more than \$1 million a month on operations alone.

Legacy Park was the brainchild of Randy Miller, a former professional baseball player, who created Legacy Cares to finance the complex in the tax-exempt bond market. Miller, who had no experience in developing and managing sports facilities, resigned from Legacy Cares before the Arizona Industrial Development Authority approved the first \$250 million tranche of bonds in March 2020.

Legacy Cares hired Miller's for-profit company Legacy Sports to develop and manage the complex.

The attorney for Legacy Cares proposed that a hearing be held on Nov. 20 to weigh the proposed sale.

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