

# LEASE SUMMARY

## BASICS

**TEAM: Arizona DIAMONDBACKS**

**Team Owner:** Ken Kendrick

[Team Website](#)

**FACILITY:** Chase Field

[Facility Website](#)

**Year Built:** 1998

**Ownership:** Maricopa County

**TYPE OF FINANCING:** The District “levied a transaction privilege tax as authorized by A.R.S. S 48-4233 in order to provide partial financing for the acquisition of the necessary land and the design and construction of a new stadium suitable for MLB.” Recitals, G, page 3.

“The District may obtain a loan or loans (the ‘District Loan’) in an aggregate amount not greater than Fifteen Million Dollars (\$15,000,000.00) (‘District Loan Funds’) to be applied solely to Project Costs.” Section 3.2, page 9.

“[T]he District shall pay an amount not to exceed Two Hundred Fifty-Three Million Dollars (\$253,000,000.00) for Project Costs.” Section 3.4, page 17.

**TITLE OF AGREEMENT:** Memorandum of Understanding of Agreed Terms

**Lessor:** Maricopa County Stadium District

**Lessee:** Arizona Professional Baseball Team Limited Partnership

**TERM OF AGREEMENT:** “The Stadium Use Agreement shall have a term of thirty (30) years (‘Term’) with two (2) additional five (5) year additional renewal periods at the option of the Team.” Section 14.2, page 77.

## PAYMENTS/EXPENSES

### **RENT:**

“The Team shall pay the District an annual payment of One Million Dollars (\$1,000,000) minus any rent paid by the Team pursuant to the Baseball Team Facilities Lease . . . . The Minimum License Fee to be paid each year under the Stadium Use Agreement shall be calculated as One Million Dollars (\$1,000,000) multiplied by the ratio of the Average Ticket Price for the subject year divided by the Average Ticket Price for the first year of the Stadium Use Agreement. Notwithstanding the foregoing the Minimum License Fee paid to the District shall in no circumstances be less than One Million Dollars (\$1,000,000).” Section 15.2.1, pages 83-84.

“The Team shall pay the District an annual payment equal to the sum of (i) Fifty Cents (\$0.50) for each Fully Paid Admission at a Championship Season Home Game above the 2.0 million level of

Attendance but not more than 2.5 million, (ii) One Dollar (\$1.00) for each Fully Paid Admission at a Championship Season Home Game above the 2.5 million level of Attendance but not more than 3 million and (iii) One Dollar and Fifty Cents (\$1.50) for each Fully Paid Admission at a Championship Season Home Game above the 3 million level of Attendance. This payment shall be Based License Fee.” Section 15.2.2, page 84.

**OPERATING EXPENSES:**

“The Team shall provide funds from whatever source for the payment of all Operating Expenses.” Section 15.1, page 83.

**CAPITAL IMPROVEMENTS**

**USE OF PROJECT RESERVE ACCOUNT:**

“The Project Reserve Account shall be used for Capital Improvements intended to maintain the Facility during and at the conclusion of the term of the Stadium Use Agreement.” Section 11.3, page 62.

**CAPITAL IMPROVEMENT:**

Either party can suggest a capital improvement and decide whether to use the Project Reserve Account. Section 11.3.1, page 62.

**FUNDING OF PROJECT RESERVE ACCOUNT:**

“If One Million Dollars (\$1,000,000.00) or more is deposited into the Long-Term Project Reserve Account . . . [t]he Team shall make four annual Two Hundred Fifty Thousand Dollars (\$250,000.00) payments into the Project Reserve Account during any four (4) of the first ten (10) years following the Commencement Date. These payments shall be in addition to the Team’s obligation to make annual Two Hundred Fifty Thousand Dollar (\$250,000.00) payments to the Project Reserve Account.” Section 11.2, pages 60-61.

**MAINTENANCE**

**TEAM’S RESPONSIBILITY FOR OPERATING AND MAINTENANCE COSTS:**

“The Team shall be responsible and pay for one hundred percent (100%) of all Operating Expenses.” Section 11.1, page 60.

**RETENTION**

**NON-RELOCATION/RETENTION CLAUSE:**

“[T]he team shall not transfer or attempt to transfer this MOU or any rights herein, other than transfers permitted by the Stadium Use Agreement, without a prior action of the District Board approving this transfer.” Section 17.4, pages 90-91.