

LEASE SUMMARY

BASICS

TEAM: Houston ASTROS

Team Owner: Jim Crane

Team Website

FACILITY: Minute Maid Park

Facility Website

Year Built: 2000

Ownership: Harris County-Houston Sports Authority

TYPE OF FINANCING: Public financing of \$180 million (sixty eight percent) came from a two percent hotel tax and a five percent car rental tax. The Houston Sports Facility Partnership provided a \$33 million (twelve percent) interest-free loan with no repayment due until ten years of ballpark operation occurred. Astros owners contributed \$52 million (twenty percent). The project was completed under budget, as only \$248.2 million of \$250 million in public money allotted for the project was used. – *Appendix 1*, Sports Facility Reports, Vol. 18, <https://law.marquette.edu/assets/sports-law/MLB.Antonio.72617.pdf>.

TITLE OF AGREEMENT: Stadium Lease Agreement

Lessor: Harris County-Houston Sports Authority

Lessee: Houston McLane Company, Inc., d/b/a Houston Astros Baseball Club

TERM OF AGREEMENT: “The primary term under this Stadium Lease (the ‘Primary Term’) shall (i) commence at 12:01 a.m. on the first day of the first April following the Substantial Completion Date and (ii) end, unless sooner terminated in accordance with the provisions of this Stadium Lease, at 11:59 p.m. on the last day of March of the thirtieth (30th) Lease Year.” Section 3.2, pg. 5.

PAYMENTS/EXPENSES

RENT:

“Tenant shall pay to Landlord, for each Lease Year occurring during the Lease Term, an amount equal to Three Million Four Hundred Thousand and No/100 Dollars (\$3,400,000.00) per Lease Year (such annual amounts being herein referred to as the ‘Basic Rentals’). The Basic Rental for each Lease Year of the Lease Term shall be due and payable in advance in semi-annual installments in the amount of One Million Seven Hundred Thousand and No/100 Dollars (\$1,700,000) each, payable on the first (1st) day of each April and October during the Lease Term.” Section 4.1.2, page 6.

OPERATING EXPENSES:

Utilities: “Tenant shall pay, or cause to be paid, all utilities used or consumed at or in the Leased Premises, including all water, gas, electricity, and fuel.” Section 4.3.2, page 8.

Operating Covenant: “Tenant covenants to . . . perform, or cause to be performed, all Maintenance and Capital Repair Work with respect to the Leased Premises and Concession Improvements . . . perform, or cause to be performed, all Casualty Repair Work . . . perform, or cause to be performed, all Condemnation Repair Work . . . [and] bear, pay and be responsible for all costs and expenses necessary for Tenant to fulfill the obligations of Tenant under this Stadium Lease.” Section 6.1, pages 12-13.

CAPITAL IMPROVEMENTS

TENANT’S OBLIGATIONS:

“Perform all Maintenance and all Capital Repairs, or cause the performance of all Maintenance and all Capital Repairs.” Section 6.2.1, page 13.

LANDLORD EXPENSES:

The Landlord will be responsible for “[f]ifty percent (50%) of the Capital Repair Expenses in excess of Twenty-Five Million and No/100 Dollars (\$25,000,000.00) (subject to adjustment as provided below) attributable to any catastrophic failure of any part or parts of the foundation, structure or structural support members of the Leased Premises . . . [c]apital Repair Expenses attributable to any component of the Leased Premises whose primary function is to fulfill any requirements imposed under or in connection with the issuance or maintenance of the TNRCC Certificate of Completion . . . [a]ll Condemnation Expenses . . . [a]ll Environmental Operating Expenses . . . [and] [a]ll costs and expenses of Landlord’s Remedial Work.” Section 6.10, pages 19-20.

ASSET RENEWAL AND REPLACEMENT FUND:

“The Landlord shall . . . establish and maintain the ARR Account for the purpose of serving as a segregated asset renewal and replacement fund.” Section 7.1, page 21.

TENANT’S ACCESS TO APR FUND:

“Tenant may (and Landlord shall take such action as is necessary to permit Tenant to) present Landlord with certificate (a ‘Presentation Certificate’) requesting Landlord to withdraw an amount from the ARR Fund and either (i) disburse all or a portion of such amount to Tenant to reimburse Tenant for Capital Repair Expenses incurred by Tenant as described in such Presentation Certificate or (ii) disburse all or a portion of such amount to such third Persons as are specified therein to pay such third Persons for Capital Repair Expenses.” Section 7.4, page 24.

MAINTENANCE

TENANT’S OBLIGATIONS:

“Perform all Maintenance and all Capital Repairs, or cause the performance of all Maintenance and all Capital Repairs . . . [and] [m]aintain and keep, or cause to be maintained and kept, the Leased Premises and Concession Improvements in a clean, neat and orderly condition given the nature and use of the Leased Premises and Concession Improvements.” Section 6.2.1, page 13.

UTILITIES:

“Tenant shall pay, or cause to be paid, all utilities used or consumed at or in the Leased Premises, including all water, gas, electricity, and fuel.” Section 4.3.2, page 8.

RETENTION**NON-RELOCATION/RETENTION CLAUSE:**

The Landlord and Tenant have Agreed to a Separate Non-Relocation Agreement Covenant in an Agreement, titled: “Non-Relocation Agreement by and between Harris County-Houston Sports Authority and Houston McLane Company, INC. d/b/a Houston Astros Baseball Club”

COVENANT TO PLAY IN STADIUM:

“The Astros shall play, and Houston McLane hereby covenants to cause the Astros to play, all of their Baseball Home Games in the Stadium throughout the Lease Term.” Section 2.2.1, page 3.

RELOCATIONS OF ASTROS:

“Houston McLane shall not relocate the Astros or the home territory of the Astros outside the boundaries of the City and the County.” Section 3.1, page 3.