

# LEASE SUMMARY

## BASICS

**TEAM: Minnesota TWINS**

**Team Owner:** Jim Pohlad

[Team Website](#)

**FACILITY:** Target Field

[Facility Website](#)

**Year Built:** 2010

**Ownership:** Minnesota Ballpark Authority

**TYPE OF FINANCING:** “The Twins contributed \$152.4 million. Hennepin County contributed \$392 million raised from bonds that will be financed through a 0.15% sales tax increase.” *Appendix I, Sports Facility Reports, Vol. 18, available at <https://law.marquette.edu/assets/sports-law/MLB.Antonio.72617.pdf>.*

**TITLE OF AGREEMENT:** Ballpark Lease Agreement

**Lessor:** Minnesota Ballpark Authority

**Lessee:** Twins Ballpark, LLC.

**TERM OF AGREEMENT:** The Term of this Agreement shall start on the Commencement Date (4/26/2007) and shall continue through the Expiration Date, which is 30 years. Section 2.2, pages 17-18.

## PAYMENTS/EXPENSES

### **RENT:**

“[T]he Tenant shall pay as rent the following: (a) the sum of Six Hundred Thousand Dollars (\$600,000) per annum, as fixed rent (‘Fixed Rent’), on or before November 1 of each Year, subject to annual CPI increases; (b) Three Hundred Thousand Dollars (\$300,000) per annum and not subject to CPI increases (‘Additional Rent’); and (c) all other sums and charges required to be paid to the Authority by the Tenant pursuant to the terms of this Agreement.” Section 3.1, page 18.

### **OPERATING EXPENSES:**

Duties of Tenant: “[T]he Tenant, at all times throughout the Term, shall perform the following: (i) Pay all Operating Expenses.” Section 6.1(c), pages 34-35.

Maintenance and Repair: “At all times during the Term, the Tenant shall perform all Maintenance, routine repairs and comply with all other obligations relating to the Management of the Ballpark.” Section 6.1(d), page 35.

Utilities: “The Tenant shall be solely responsible for and promptly pay or cause to be paid all charges for the use and consumption of Utilities in the Ballpark.” Section 6.11, page 42.

## CAPITAL IMPROVEMENTS

### CAPEX RESERVE FUND:

Establishment: “The CapEx Reserve Fund shall be held in an account with a national bank or other fiscal agent mutually agreeable to the Parties” Section 8.2 (a), page 44.

### Deposits to the CapEx Reserve Fund:

- (i) Within two (2) Business Days after receipt from the Tenant of any Fixed Rent or Additional Rent, the Authority shall deposit such amounts into the CapEx Reserve Fund.
- (ii) The CapEx Fund will also receive funding from the County . . . during the Initial Term, which shall be annually deposited into the CapEx Reserve Fund, in the amount of One Million One Hundred Thousand Dollars (\$1,100,000), subject to annual CPI increases.” Section 8.2(b), page 44.

### Payment for CapEx Work:

- (i) Use of Funds: The funds “shall not be used for Maintenance, but shall be used solely for the payment of CapEx work as set forth herein . . . the cost of CapEx Work shall be paid from the CapEx Reserve Fund.” Section 8.2(c), page 44.

CapEx Work Means: “[A]ll capital modifications, replacements, or additions to the Ballpark.” Section 1.1, page 5.

## MAINTENANCE

### MAINTENANCE AND REPAIR:

“At all times during the Term, the Tenant shall perform all Maintenance, routine repairs and comply with all other obligations relating to the Management of the Ballpark” Section 6.1(d), page 35.

## RETENTION

### NON-RELOCATION/RETENTION CLAUSE:

#### Abandoning the Ballpark or Personal Property:

“The Tenant shall not vacate or abandon the Ballpark at any time during the Term” Section 5.6(c), page 34.

#### Franchise Transfer:

“The Tenant may, with prior notice to but without the consent of the Authority, assign all of the Tenant’s right, title and interest in this Agreement to any Person who acquires or as part of such Assignment will acquire the Franchise with approval of the MLB” Section 5.2(a), page 26.

## **INSURANCE**

### **INSURANCE:**

“Throughout the Term, the Tenant shall, at the sole cost and expense of Tenant, such insurance coverages” including property insurance, workers’ compensation, general liability insurance, liquor liability insurance, and automobile liability insurance. Section 10.1, pages 50-52.