

# LEASE SUMMARY

## BASICS

**TEAM: San Francisco GIANTS**

**Team Owner:** Charles Johnson

**Team Website:** <https://www.mlb.com/giants>

**FACILITY:** AT&T Park

**Facility Website:** <https://www.mlb.com/giants/ballpark>

**Year Built:** 2000

**Ownership:** China Basin Ballpark Corp., a San Francisco Giants subsidiary

**TITLE OF AGREEMENT:** Ground Lease

**Lessor:** The City and County of San Francisco, through the San Francisco Port Commission

**Lessee:** China Basin Ballpark Company, LLC

## TYPE OF FINANCING:

\$121 million from a naming rights deal and other sponsorships, a \$170 million loan secured by the Giants, and \$15 million in tax increment financing by the city's redevelopment agency financed the stadium. Selling concession rights and charter seats helped obtain additional financing. *Appendix 1, Sports Facility Reports, Vol. 12, available at* <https://law.marquette.edu/assets/sports-law/pdf/sports-facility-reports/v12-mlb-2011.pdf>.

## TERM:

The Initial Term of the Lease is set to expire on December 31, 2022. Giants hold eight additional options to extend. The first seven options are for five years each; the eighth option is for six years. Section 1.2, page 6.

## PAYMENTS/EXPENSES

### RENT:

Minimum Rent: A minimum rent of \$1.2 M, subject to adjustment, is paid by the Tenant to the Landlord. Section 2.3, page 8.

Additional Rent: The Tenant is also subject to additional rent, which consists of "all costs, fees, interest, charges, expenses, reimbursements and obligations of every kind and nature relating to the Premises that may arise or become due during or in connection with the Term of this Lease, whether foreseen or unforeseen." Section 2.11, page 20.

### OPERATING EXPENSES:

Utility Services: All utility services are to be obtained and paid for by the Giants. Section 11.1, page 44.

Covenants: "Tenant shall be exclusively responsible, at no cost to Landlord, for the management and operation of the Improvements." Section 7.1, page 36.

## **CAPITAL IMPROVEMENTS:**

The Tenant is responsible for and will hold title to all structural improvements, until the Non-Relocation Agreement expires. Section 9, pages 38-39.

## **MAINTENANCE**

### **COVENANTS TO REPAIR AND MAINTAIN THE PREMISES:**

Tenant's Duty to Maintain: "Throughout the Term of this Lease, Tenant shall maintain and repair, at no cost to Landlord, the Premises . . . in first-class condition and repair and in compliance with all applicable Laws and the requirements of this Lease." Section 8.1, page 37

Standard of Operation: "Without limiting any of the foregoing, Tenant shall, commencing upon completion of construction of the Ballpark and continuing thereafter during the Term of this Lease, maintain the Ballpark in safe, clean, attractive and first-class condition and state of repair subject to provisions of [this Agreement]." Section 8.1, page 37

## **USE AND OCCUPANCY**

### **PERMITTED USES:**

The Tenant may use the Premises for the following uses:

- (i) The operation of a Major League Baseball franchise;
- (ii) The exhibition, presentation and broadcasting of other amateur or professional sporting event, musical and theater performances, or other live entertainment or public gatherings;
- (iii) Restaurants, clubs and bars;
- (iv) Sale of food and alcoholic and non-alcoholic beverages and other items customarily sold and marketed in sports and entertainment facilities;
- (v) Sale and display of advertising in the Ballpark;
- (vi) Sale or grant of naming rights to Ballpark;
- (vii) Operating a baseball museum open to the public;
- (viii) Conducting public tours of the Ballpark;
- (ix) Providing parking;
- (x) Specialty retail uses;
- (xi) Entertainment, museum and educational uses,
- (xii) A communications center, up to 10,000 square feet located in the Pavilion Building;
- (xiii) Providing ferry service to and from various Ferry Landing Facilities;
- (xiv) Office use;
- (xv) Facilities for radio, television, and other broadcast and entertainment media within the Ballpark and the Improvements;
- (xvi) Storage of maintenance equipment and supplies; and
- (xvii) Other uses reasonably related or incidental to any of the above-listed uses.

Section 3.1, pages 21-22.

## **RETENTION**

*There is a separate non-relocation agreement in addition to the Stadium Lease Agreement:*

**TITLE OF AGREEMENT:** Non-Relocation Agreement between the San Francisco Baseball Associates L.P., a California Limited Partnership, and the City and County of San Francisco

**COVENANT NOT TO RELOCATE:** The Team Owner shall:

- (a) “cause the Team to play substantially all of its Baseball Home Games and any home Post Season Games at the Ballpark, and nowhere else at any time;”
- (b) “not enter into any contract or other agreement of any kind to transfer the Franchise or Team outside of the City of San Francisco to a location other than the Ballpark;”
- (c) “not submit any application to the National League for approval to transfer the Franchise or Team to a location other than the Ballpark.” Article 1, pages 2-3.

## **INSURANCE**

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“Tenant shall, at no cost to Landlord, obtain, maintain and cause to be in effect at all times from the Commencement Date to the later of (i) the last day of the Term, or (ii) the last day Tenant (A) is in possession of the Premises or (B) has the right of possession of the Premises . . . the following types of insurance[:.]” builders’ risk insurance, property insurance, commercial general liability insurance, workers’ compensation insurance, boiler and machinery insurance, business automobile insurance, business interruption insurance, watercraft liability insurance, aircraft liability insurance, and environmental liability insurance. Section 18, pages 71-73.