

LEASE SUMMARY

BASICS

TEAM: St. Louis CARDINALS

Team Owner: William DeWitt Jr.

[Team Website](#)

FACILITY: Busch Stadium

[Facility Website](#)

Year Built: 2006

Ownership: St. Louis Sports Center Redevelopment Authority

TITLE OF AGREEMENT: Project Construction, Financing, and Operation Agreement

Lessor: City of St. Louis

Lessee: St. Louis Cardinals, L.P.

TYPE OF FINANCING:

The ballpark was primarily privately financed—\$90.1 million came from the Cardinals, \$9.2 million in interest earned on the construction fund, and \$200.5 million in bonds to be paid over a 22-year period (\$15.9 million per year) by the team. Public financing came from St. Louis County contributing \$45 million through a long-term loan. *Appendix 1, Sports Facility Reports, Vol. 12, available at <https://law.marquette.edu/assets/sports-law/pdf/sportsfacility-reports/v12-mlb-2011.pdf>.*

TERM:

35 years, commencing on the Closing Date. The Team has the option to extend for three five-year terms. Section 7.4, pg. 41A. “Closing Date” means the date on which the issuance of all of the Ballpark Project Bonds and the deposit required by the Cardinals . . . occurs.” Section 1.1, pg. 21A.

PAYMENTS/EXPENSES

RENT:

“Rent shall include:

1. The net future value as of the last day of each calendar year of the Lease Term of the payment (\$108,500,000) to be made by the Cardinals pursuant to Section 6.3.
2. The net future value as of the last day of each calendar year of the Lease Term of the payment (\$6,250,000) to be made by the Cardinals pursuant to Section 6.11.
3. The net future value as of the last day of each calendar year of the Lease Term of the value (estimated to be \$20,000,000) of the Ballpark Project Site to be contributed by the Cardinals pursuant to Section 4.6.
4. Amounts payable by the Cardinals for taxes and maintenance and repairs and capital improvements on or with respect to the Project or the Project Site and activities therein and thereon.
5. All of the Authority’s operating costs, including the cost of performing its obligations under this Agreement, up to a maximum amount of \$100,000 in any calendar year.

6. Any amounts or property payable or transferable by the Cardinals under Section 3.6 or Section 8.7 of this Agreement.
7. The amounts, if any, deposited by the Cardinals in the State Naming Rights Fund or the City Naming Rights Fund pursuant to this Agreement.
8. Such other amounts as may be agreed to by the Cardinals and the Authority and set forth in the Lease.”

Exhibit-Rent, page 57A.

OPERATING EXPENSES:

“(a) The Cardinals shall exclusively manage and operate aspects of the Ballpark including, without limitation, the selection and hiring of all vendors, concessionaires and other contractors that provide services or materials related to the Ballpark. (b) The Cardinals shall do all things, take all actions and expend such funds as may be necessary or desirable in their judgment for the operation of the Ballpark in accordance with this Agreement.” Section 7.7, page 42A.

CAPITAL IMPROVEMENTS:

Performance of Ballpark Capital Repairs and Improvements:

“[T]he Cardinals shall be responsible for making and performing all Ballpark Capital Repairs and Improvements.” Section 10.5, page 47A.

Ballpark Capital Reserve Fund:

“[T]here shall be established a fund to be known as the ‘Ballpark Capital Reserve Fund’, which shall be held by a Fiduciary. Prior to the end of the first year after Opening, the Cardinals shall deposit \$650,000 into the Ballpark Capital Reserve Fund. Thereafter, during each subsequent year of the Lease, the Cardinals shall deposit not less than \$650,000 into the Ballpark Capital Reserve Fund . . . The Cardinals shall have the right to withdraw or cause the withdrawal of funds from the Ballpark Capital Reserve Fund . . . for the purpose of paying the costs of Ballpark Capital Repairs and Improvements and Extraordinary Capital repairs.” Section 10.2, page 47A.

MAINTENANCE

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“[T]he Cardinals shall at their sole cost and expense:

- (a) keep and maintain the Ballpark and all equipment, machinery and fixtures located thereon in good, clean, safe and sanitary condition and repair, as a First-class Facility, and undertake all Ballpark Operating Repairs and Maintenance in a good, workmanlike, first-class and prompt manner, using materials and equipment at least substantially equal in quality and class to a First-class Facility;
- (b) maintain or cause to be maintained all necessary licenses, permits, approvals and authorizations for the operation of the Ballpark;
- (c) maintain the playing field and all landscaping on the Ballpark Project Site;
- (d) perform ordinary maintenance required to keep the Ballpark in a neat and orderly condition, free of litter and debris, with grass and shrubbery in trim and with snow and ice removed from walking paths;
- (e) maintain all portions of the Ballpark in good condition, free of litter and debris, and with all grass and shrubbery in trim;

- (f) be responsible for snow and ice removal, and for performing ordinary maintenance to preserve the safe condition of all structures and facilities located in or about the Ballpark; and
- (g) not commit waste or vacate or abandon any part of the Ballpark.

All repairs and replacements shall utilize materials or component parts of substantially the same quality as those being repaired or replaced.” Section 10.1, pages 46A-47A.

RETENTION

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

TITLE: Operations and Non-Relocation Agreement

COVENANT TO PLAY:

Agreement to Play and Not to Relocate The Cardinals agree to the following:

- (a) “The Team shall play all of its Home Games at the Ballpark.
- (b) The Cardinals shall not relocate or transfer the Team outside the boundaries of the City, and shall not change or move the home territory of the Team in any manner that would exclude the City or the County.
- (c) The Cardinals shall not enter into any contract which obligates the Team to play its Home Games at any location other than the Ballpark.
- (d) The Cardinals shall not seek approval from Major League Baseball or the National League of Professional Baseball Clubs for any of the matters specified in (a) through (c) above.”

Section 2.1, page 6.

MAINTENANCE OF FRANCHISE:

“At all times during the Term the Cardinals shall (a) maintain the membership in good standing of the Team in Major League Baseball and (b) hold, maintain and defend the right of the Team to play baseball as a member of the Major League Baseball and (c) use reasonable efforts to oppose the adoption of any Major League Baseball Rules and Regulations that would cause the Cardinals to be unable to comply with any of the terms of this Agreement.” Section 2.3, pages 6-7.

INSURANCE

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“[T]he Cardinals shall purchase and maintain, from a company or companies lawfully authorized to do business in the City and the State, property insurance written on a builder’s risk ‘all-risk’ or equivalent policy form in the amount of the replacement cost of the Ballpark Project[,]” must purchase and maintain casualty insurance, public liability insurance, workers’ compensation insurance, and overall blanket policies of insurance. Section XI, pages 48A-49A.