

LEASE SUMMARY

BASICS

TEAM: Tampa Bay RAYS

Team Owner: Stuart Sternberg

Team Website

FACILITY: Tropicana Field

Facility Website

Year Built: 1990

Ownership: The City of St. Petersburg, Florida

TYPE OF FINANCING: “The City of St. Petersburg issued general obligation bonds to fund construction. The bond debt is being partially serviced through a 1% increase in the countywide bed tax. A tourist development commission issued additional bonds of \$62 million to renovate the stadium. The debt is serviced by a combination of bed tax revenues, stadium revenues, and city general fund monies. In addition, the team qualified for the state rebate program designed to attract new teams to Florida. A \$65 million renovation project was completed in 1998, \$14 million of which was funded by the Rays.” *Appendix 1, Sports Facility Reports*, Vol. 18, available at <https://law.marquette.edu/assets/sports-law/MLB.Antonio.72617.pdf>.

TITLE OF AGREEMENT: Agreement for The Use, Management and Operation of the Domed Stadium in St. Petersburg Including the Provision of Major League Baseball

Lessor: City of St. Petersburg, Florida

Lessee: Tampa Bay Devil Rays, LTD, a Florida Limited Partnership.

TERM:

“The Term of this Agreement shall commence on the date of its execution, April 28, 1995, and shall expire at the end of the 2027 MLB Season.” Section 1.01, page 6.

PAYMENTS/EXPENSES

RENT:

“In lieu of rent, the Club pays to the City and into a Capital Account, a portion of ticket sales, which is calculated based on the following:

- (1) Beginning with the AMT [(active management term)] and thereafter during the Term, \$.50 for each Ticket Stub Collected for any baseball or non-baseball event . . .
- (2) In each and every Year of the Term that the number of Ticket Stubs Collected for regular season MLB Home Games exceed 3,300,000, in addition to the \$.50 above, \$.25 for each such Ticket Stub Collected in excess of the 3,300,000.”

Section 4.02, page 17.

OPERATING EXPENSES:

Fee for Services-Stadium Revenue: “During the AMT the CLUB shall pay all costs and expenses of operation, maintenance and management of the DOME, including, but not limited to, all gas,

electricity and other utilities related to operation of the DOME and production of all events taking place at the DOME.” Section 4.01, page 16.

Ticket Stub Funds Paid to Capital Account and the City: The Club agrees to pay the City all Ticket Stub Funds into the Capital Account. Section 4.02, page 17.

Additional Management Fee: “[T]he CITY shall pay the CLUB a prepaid management fee of \$4,200,000 for the entire Term payable as follows: (1) 1,400,000 within thirty (30) days of the beginning of the AMT; and (2) \$116,666.67 beginning with the 13th month of the AMT and continuing on the first of each month thereafter for the next 23 months until the remainder of the the \$4,200,000 has been paid.” Section 4.04, page 20.

Management Rights and Obligations: “[T]he CLUB shall have, but not be limited to, the following rights, responsibilities and obligations:

- (a) Controlling the scheduling and use of the DOME as a publicly operated stadium for all baseball and non-baseball events . . .
- (b) Operate and perform all maintenance of the DOME including provision of all labor and materials required to keep the DOME clean and free of debris, and repairing, maintaining and replacing all components of the DOME . . .
- (c) Providing all security, crowd control, maintenance, cleaning, landscaping and other personnel or independent contractors required for the proper maintenance and operation of the DOME . . .
- (d) Obtaining and maintaining all liability insurance”

Section 2.02, pages 8-9.

CAPITAL IMPROVEMENTS

CAPITAL REPAIR, RENEWAL AND REPLACEMENT SINKING FUND ACCOUNT:

During the Term, “the Club shall establish an escrowed sinking fund to be designated the Capital Repair, Renewal and Replacement Account (the ‘Capital Account’) with a depository in which municipal funds may be deposited . . . The Capital Account shall be used by the Club in making all capital repairs, renewals and replacements to the DOME.” Section 5.01, page 21.

ADDITIONAL CONTRIBUTIONS TO CAPITAL ACCOUNT:

“Beginning with the commencement of the sixth year of the AMT the CLUB shall make available to the Capital Account, \$700,000 per year for each of six consecutive years for a total availability of \$4,200,000 at the commencement of the eleventh year of the AMT.” Section 5.02, page 22.

TICKET STUB FUNDS PAID TO CAPITAL ACCOUNT AND THE CITY:

The Club agrees to pay the City all Ticket Stub Funds into the Capital Account. Section 4.02, page 17.

MAINTENANCE

MANAGEMENT RIGHTS AND OBLIGATIONS:

“The Club shall . . . [o]perate and perform all maintenance of the DOME including provision of all labor and materials required to keep the DOME clean and free of debris, and repairing, maintaining and replacing all components of the DOME” Section 2.02(b), pages 8-9.

RETENTION

NON-RELOCATION/RETENTION CLAUSE:

The Club agrees to:

- (a) “Cause the Franchise to play all of its Home Games in the DOME;
- (b) Cause the Franchise to stage one charitable event per year in the DOME . . . ;
- (c) Not play any of the Franchise’s Home Games in any facility other than DOME . . . ;
- (d) Not permit relocation of the Franchise from the DOME.”

Section 2.04, page 12.