

LEASE SUMMARY

BASICS

TEAM: Tampa Bay RAYS

Team Owner: Stuart Sternberg

Team Website: <http://tampabay.devilrays.mlb.com/>

FACILITY: Tropicana Field

Facility Website: <http://mlb.com/tb/ballpark/>

Year Built: 1990

Ownership: City of St. Petersburg, FL

TYPE OF FINANCING:

The City of St. Petersburg issued general obligation bonds to fund construction. The bond debt is serviced partially 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 I, Sports Facility Reports, Vol. 12, <https://law.marquette.edu/assets/sports-law/pdf/sports-facility-reports/v12-mlb-2011.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 between the City of St. Petersburg, Florida and the Tampa Bay Devil Rays, Ltd, a Florida Limited Partnership.

TERM OF AGREEMENT: 32 years, effective on April 28, 1995. The Term expires at the end of the 2027 MLB Season. –Article 1(x), pg. 6

PAYMENTS/EXPENSES

RENT:

Section 4.02 – Ticket Stub Funds paid to Capital Account and the CITY

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.” –pg. 17

The Club shall pay according to the following terms:

- 1) “The first \$250,000 shall be paid into the Capital Account.
- 2) The next \$100,000 shall be paid to the CITY and represent the rent to be paid from the Ticket Stub Funds. . . .
- 3) Any amount over \$350,000 shall be paid to the CITY to reimburse the expenses incurred and the services provided by the CITY under this Agreement.” –pg. 18

Section 4.03 – DOME Naming Rights

If the team sells the name of the DOME, then it shall pay accordingly:

- a) “The first \$800,000 shall be retained by the CLUB.
- b) The next \$250,000 shall be paid by the CLUB into the Capital Account.
- c) The next \$500,000 shall be paid 50% to the CLUB and 50% to the CITY.
- d) Any amount over \$1,550,000 shall be paid 85% to the CLUB and 15% to the CITY.” –pg. 19

CAPITAL IMPROVEMENTS

Section 5.01 – Capital Repair, Renewal and Replacement Sinking Fund Account

The Capital Account (established with funds deposited based on ticket sales) is designated as the “Capital Repair, Renewal and Replacement Account.” “All withdrawals shall require the co-signature of the Chief Financial Officer of the CITY.” – pg. 21

“[T]he CLUB shall be solely responsible for the cost of any capital repairs, renewals or replacements exceeding the moneys available in the Capital Account and applicable available insurance proceeds.” –pg. 21

Section 5.02 – Additional Contributions to the Capital Account

In addition to the Ticket Stub Funds deposited to the Capital Account, beginning with the sixth year of the AMT, the CLUB is expected to contribute \$700,000 annually, totaling \$4,200,000 for the six consecutive years until the eleventh year of the AMT.” –pg. 22

MAINTENANCE

Section 4.01 – Fee for Services-Stadium Revenues

“During the AMT [(active management term)] 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 the operation of the DOME and production of all events taking place at the DOME.” –pg. 16

NON-RELOCATON / RETENTION CLAUSE

The agreement does not include a specific reference to a non-relocation clause; however, if the CLUB defaults on any payments subject to the Ticket Stub Funds and/or payments to the Capital Account, the CITY has the right “to seek and obtain an injunction or decree of specific performance or an equitable remedy from a court of competent jurisdiction to enjoin or remedy any violation of the Agreement.” –pg. 28