

NATIONAL BASKETBALL ASSOCIATION

Note: Information compiled from Forbes Magazine (franchise values), Lexis.com, Sports Business News, Sports Business Journal, and other sources published on or before May 31, 2002.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Atlanta Hawks	AOL/Time Warner, Inc.		AOL acquired Time Warner, including the Atlanta Hawks and Atlanta Thrashers, as part of a \$165 billion purchase (2000)	\$199
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
Philips Arena	1999	\$213.5	91%	The facility is being financed through \$149.5 M in taxable revenue bonds that will be paid back through stadium revenues; \$62 M for public infrastructure costs, which will be repaid with a new 3% car rental tax; and \$20 M for the remaining infrastructure costs from Time Warner. In addition, Philips Electronics signed a 20-year, \$180 M deal for the naming rights.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Boston Celtics	Castle Creek Partners, LP			\$218
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
Fleet Center	1995	\$160	0%	Privately financed. Fleet Bank paid \$30 M for 15-year naming rights deal.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
New Orleans Hornets	George Shinn and Ray Wooldridge		\$80 for 50%: (1999)	\$135
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING

UPDATE

Citing poor attendance and an outdated facility, on January 16, 2001, Charlotte Hornets owners George Shinn and Ray Wooldridge applied to the NBA to relocate their franchise to New Orleans. On January 17, 2001, the two owners signed a memorandum of understanding to move the Hornets to New Orleans for the 2002-2003 season, with New Orleans pledging to provide at least \$18.5 million to renovate an existing arena for the team. On May 1, 2002, the NBA’s relocation committee unanimously approved the team’s move, and on May 10, 2002, the NBA’s Board of Governors, comprised of the twenty-nine team owners, agreed, granting the Hornets permission to relocate.

Shortly after the Hornets announced that they would be relocating to New Orleans, former Boston Celtics greats Larry Bird and M.L. Carr sent an inquiry to NBA Commissioner David Stern about the possibility of bringing an expansion franchise to Charlotte. NBA Commissioner David Stern immediately stated that until a new arena is built in Charlotte, the NBA’s board of governors would not consider granting the city an expansion franchise. On May 23, 2002, a panel of Charlotte’s city and county leaders agreed on a plan for a combined arena and park in the Third Ward area.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Chicago Bulls	A 29 member ownership group, headed by Jerry Reinsdorf			\$329
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
United Center	1994	\$150	7%	Joint Venture between Bulls and NHL Blackhawks. Financed jointly with City and private corporations.

Team	Principal Owner	Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
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Cleveland Cavaliers	George and Gordon Gund			\$202
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
Gund Arena	1994	\$152	48%	Built as part of a city sports complex that was funded both publicly and privately. Public funding from state capital improvement funds and countywide sin taxes on alcohol (\$3/gallon on liquor, 16 cents/gallon on beer) and cigarettes (4.5 cents/pack) for 15 years. In addition, Gordon Gund paid \$14 M in naming rights for 20-years starting in 1994.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Dallas Mavericks	Mark Cuban		\$280 for 54% of team and 50% of American Airlines Center (2000). In January of 2002, Belo Corp. sold its 12.38% share to Cuban for \$27 million.	\$211
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
American Airlines Center	2001	\$325	38%	The City is paying \$125 M (capped) and the Mavericks and Stars are paying the remaining amount. The funds to repay the public portion of the financing are coming from a 5% car rental tax, 2% hotel tax, and \$3.4 M per year lease for 30 years. In addition, American Airlines is paying \$95 M for the 30-year naming rights.

UPDATE

The new American Airlines Center in Dallas is expected to come in \$100 M over budget with a final estimate of \$420 M. Mavericks owner Mark Cuban and NHL Stars owner Tom Hicks will share the extra cost. Most of the extra cost came from stadium upgrades including wiring for interactive devices, improved signage, and expansion by 100,000 square feet.

Team officials announced that Dr. Pepper and the North Texas Ford Dealers Association have signed on as building sponsors. Dr. Pepper paid a reported \$35 M over 10 years while the auto dealers will pay \$39 M over 10 years.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Denver Nuggets	Stan Kroenke		\$404 (2000) (includes Nuggets, Avalanche, and Pepsi Center)	\$188
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
Pepsi Center	1999	\$164.5	3%	Financed mostly through private loans. Also received \$15 M from Liberty Media and \$4.5 M in infrastructure, \$2.25 M for construction sales tax rebates and \$2.1 M annually for property tax exemptions. Pepsi pays \$68 M for naming rights over 20 years.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Detroit Pistons	William Davidson			\$230
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
The Palace of Auburn Hills	1988	\$70	0%	Privately financed by a bank loan and equity contribution by team ownership.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Golden State Warriors	Christopher Cohan		\$95 (75% share) (1995)	\$166
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
Oakland-Alameda County Coliseum Arena	1966	\$25.5	100%	In 1997, the arena was renovated. The city and the county issued \$140 M. 80% refinanced by private loans guaranteed by the Warriors and the remaining 20% paid by the city and county.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
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Houston Rockets	Leslie Alexander		\$85 (1993)	\$234
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
Compaq Center	1975	\$27	100%	Publicly financed
TBA	2003	\$202 (projected)	TBA	The city will buy the land for the arena. The sports authority will sell \$182 M in bonds to build the arena and secure the bonds with money from hotel and car rental taxes. The Rockets are responsible for cost overruns and have pledged to spend \$20 million on enhancements.

UPDATE

In February of 2002, the Harris County Sports Authority decided to rely on J.P. Morgan Chase to loan them the \$30 million needed to build a downtown arena parking garage, canceling earlier plans to borrow the money from a partnership once led by the Enron corporation. The Authority’s finance committee said that the decision had nothing to do with Enron Corporation’s financial collapse, J.P. Morgan Chase simply presented them with a better business proposition.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Indiana Pacers	Melvin and Herbert Simon			\$231
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
Conseco Fieldhouse	1999	\$175	41%	Financing for the facility is a public/private partnership. Public contributions include \$50 M from a professional sports developmental tax district around the new facility, \$4.7 M in infrastructure, \$9.3 M from Capital Improvement Board cash reserves and \$7 M from the Circle Centre mall revenues. Private contributions include \$57 M from the Pacers, a \$37 M loan from companies, which will be repaid by the city, and a \$10 M land grant from Eli Lilly & Co. for the arena site.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Los Angeles Clippers	Donald T. Sterling			\$170
Arena	ETA	COST	%’s	FACILITY FINANCING

		(millions)	Publicly Financed	
Staples Center	1999	\$375	73%	The city will provide \$38.5 M in bonds and \$20 M in Los Angeles Convention Center reserves. This money will eventually be repaid through arena revenues. An additional \$12 M in tax incremental financing will also be provided by the city's Community Redevelopment Agency. The Clippers, Kings, and Lakers will share the arena. Another \$ 100 M is from a naming rights deal and private loans.

UPDATE

In late 2001, Anaheim's Arrowhead Pond facility made an effort to entice the Los Angeles Clippers to play their home games at the Pond, rather than the Staples Center. The Clippers lease with the Staples Center expires in 2005, but they could have opted out of their lease by filing notice with the Staples Center prior to December 31, 2001. Ultimately, the Clippers decided to remain in Los Angeles, citing dramatic increases in both general and season ticket sales.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Los Angeles Lakers	Dr. Jerry Buss			\$403
Arena	ETA	COST (millions)	%'s Publicly Financed	FACILITY FINANCING
Staples Center	1999	\$375	73%	The city will provide 38.5 M in bonds and \$20 M in Los Angeles Convention Center reserves. This money will eventually be repaid through arena revenues. An additional \$12 M in tax incremental financing will also be provided by the city's Community Redevelopment Agency. The Clippers, Kings, and Lakers will share the arena. Another \$ 100 M is from a naming rights deal and private loans.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Memphis Grizzlies	Michael Heisley, Sr.		\$170 (2000)	\$160
Arena	ETA	COST (millions)	%'s Publicly Financed	FACILITY FINANCING
The Pyramid	1992	NA	NA	

TBD	2003 (projected)	\$250		Memphis, Tennessee's NBA Pursuit Team has begun soliciting as much as \$20 million in private contributions toward the city's proposed new arena. The funds could be in the form of direct contributions or a pledge to cover shortfalls if tax revenue proves insufficient to cover debt service on the project. The new downtown Memphis arena would not require cash from the new team. Public money would pay the full cost, estimated at up to \$250M. The cash would come from rebating existing sales tax money and from a tax-incremental financing district.
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UPDATE

In July, a Tennessee judge ruled that an election is required before public money can be spent on a new arena for the Grizzlies. The judge said that the type of bonds proposed makes no difference and that 75% of voters must approve the bond program.

In March of 2002, Memphis executives announced that, contrary to previous reports, the Memphis basketball franchise would remain the "Grizzlies."

On May 15, 2002, the Shelby County Commission voted 11-2 in favor of building the proposed \$250 million arena in Memphis' entertainment district, a proposal that had previously been approved by the Memphis City Council in April. Work on the new arena was expected to begin in late May, and is expected to be financed by issuing revenue bonds. In the mean time, the Grizzlies will continue to play at the Pyramid, on a brand new \$95,000 floor.

The Grizzlies also announced in May that they would be borrowing \$90 million as part of an effort to carry the team through until the new arena can be completed. Additionally, the Grizzlies announced that they expect to securitize a 23 year, \$90 million dollar naming rights deal with Federal Express. Through this second debt transaction, the club would sell \$32 million of bonds secured by the revenue from the naming rights deal. The proceeds from that bond sale would be used to pay off some of the team's \$90 million dollar loan.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Miami Heat	Mickey Arison		\$60 for 88% (1995)	\$248
Arena	ETA	COST (millions)	%'s Publicly Financed	FACILITY FINANCING
American Airlines Arena	1999	\$241.3	59%	The public will provide \$141.2 M that will come from hotel and transportation taxes. American Airlines will pay approximately \$42 million over 20 years beginning in 1999 for the naming rights.

Team	Principal Owner	Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
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Milwaukee Bucks	Herb Kohl			\$150
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
Bradley Center	1988	\$71	0%	Money for the arena was donated by the Bradley family as a gift to the people of Wisconsin.
UPDATE				
<p>In late 2001, the Bradley Center board proposed a \$75 million dollar renovation of the 13-year-old Bradley Center. The proposed renovation is still being debated.</p>				

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Minnesota Timberwolves	Glen Taylor		\$88.5 (1995), and an additional \$6 million for 10% of the team in 1996.	\$185
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
Target Center	1990	\$117	100%	Financed through tax-exempt bond issue.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
New Jersey Nets	YankeeNets		\$150 for 66%, (1998)	\$169
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
Continental Airlines Arena	1981	\$85	100%	Arena part of larger sports complex that houses a football stadium and horse racetrack. Publicly funded by bond issued by the New Jersey sports authority. Debt paid off by revenue generated from racetrack.

UPDATE

In late 2001 and early 2002, this previous agreement between YankeeNets and the city of Newark ran into several roadblocks. Acting Governor Donald DiFrancesco’s proposed \$1 billion dollar package was set to include a Newark Arena and a long term promise of shopping malls

and roller coasters as parting gifts to the Meadowlands. However, in September of 2001, the state legislature refused to commit itself to DiFrancesco's proposal. In response, the Nets threatened to move to New York to play their home games in Madison Square Garden if the state of New Jersey refused to provide \$190 million of the estimated \$355 million it will take to build the new stadium in Newark.

In May of 2002, things were looking up for the stadium deal in Newark. The State of New Jersey and YankeeNets had reached a deal to finance the \$355 million dollar arena in downtown Newark. Following this announcement, it was expected that the legislature would approve \$165 million in state bonds for the project. The agreement called for the Sports Authority to issue \$165 million in bonds to finance the arena. Taxes collected at the arena, an adjacent hotel and parking lot would pay off the bonds. YankeeNets would contribute \$120 million to the project and guarantee any shortfall if tax revenues from the arena could not cover annual debt payments of \$12.5 million. The deal also called from Newark to contribute \$35 million to the project, and Essex County \$15 million. Finally, YankeeNets and the Port Authority would loan the project \$20 million to cover predevelopment costs, with tax revenues from the arena and the adjacent projects paying off the loans. However, Governor James E. McGreevey announced that he would not ask the state legislature to approve the deal until December, much to the dismay of YankeeNets.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
New York Knicks	Cablevision Systems, Rainbow Media Holdings		Acquired as part of a \$850 million transaction for the Nets, the New York Rangers, Madison Square Garden, and MSG Cable Network in 1997.	\$392
Arena	ETA	COST (millions)	%'s Publicly Financed	FACILITY FINANCING
Madison Square Garden	1968	\$43	100%	\$200 M renovation between 1989-1991.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Orlando Magic	Richard DeVos		\$110 (1991)	\$176
Arena	ETA	COST (millions)	%'s Publicly Financed	FACILITY FINANCING
TD Waterhouse Centre	1989	\$102	100%	Public

UPDATE

In July, team officials announced they no longer will seek a new arena for the Magic and will now focus on ways to upgrade the TD Waterhouse Centre. The Magic proposed a \$75 million renovation of the TD Waterhouse center, to be funded by local and regional taxes. The team says the decision is a short-term solution and it expects to be back with a request for a new arena in the next 10 years.

In January of 2002, team owner Richard DeVos announced that he would be putting the Magic up for sale, and had no intention of requiring any prospective buyers to keep the team in Orlando. However, while Stern indicated he would allow for the team to be sold, he was adamant in expressing his desire to keep the team in Orlando. DeVos cited his old age and deteriorating health, as well as a failure to secure a new stadium for the Magic as his motivations for putting the team up for sale. Following DeVos' announcement, more than twenty parties expressed interest in the team, including Robert Sturges, minority owner of the Miami Heat; Bruton Smith, who would likely seek to move the franchise to Charlotte; Edward DeBartolo Jr., former owner of the San Francisco 49ers (who may have an interest in moving the Magic to Tampa Bay; David Seigel, president and chief executive of Central Florida Investments; Harris Rosen, Orlando hotelier; Dave Checketts, former president of Madison Square Garden; Anthony Nicholson, an Orlando real estate developer (who would likely keep the team in Orlando); and Calvin Hill, former NFL running back and father of current Magic player Grant Hill. However, in March of 2002, DeVos announced that he had decided to keep the team.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Philadelphia 76ers	Comcast		\$125 (1996)	\$279
Arena	ETA	COST (millions)	%'s Publicly Financed	FACILITY FINANCING
First Union Corp. Center	1996	\$206	11%	Private loans and contribution from Spectacor. The City and State also contributed for the infrastructure. CoreStates paid \$40 M for 29 years for the naming rights. First Union acquired naming rights through a merger with CoreStates in 1997.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Phoenix Suns	Jerry Colangelo			\$266
Arena	ETA	COST (millions)	%'s Publicly Financed	FACILITY FINANCING
America West Arena	1992	\$90	39%	The city of Phoenix contributed \$35 M with \$28 M going to construct the arena and \$7 m for the land. The Phoenix Suns contributed \$55 M. The city has a 30-year commitment from the suns and receives \$500,00 per year (with annual 3% increase) and 40% of revenue from luxury boxes and advertising.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Portland Trailblazers	Paul Allen			\$283
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
Rose Garden	1995	\$262	13%	Public and private funds. Public money comes from city bonds backed by event revenues. City also supplied \$34.5 M for roadwork and utilities, and \$46 from Allen.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Sacramento Kings	Gavin & Joseph Maloof		\$37.5 for 24% stake (1998)	\$209
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
Arco Arena	1988	\$40	0%	Financed with private funds.

UPDATE

In 2001, the Sacramento City Council approved research funds up to \$150,000 to study the possibility of constructing a new facility for the Kings. The Kings hope to abandon Arco Arena, located on the North Natomas plains, in favor of a brand new facility in downtown Sacramento. The Kings and other parties in favor of the construction of a new arena have argued that it may help to revitalize downtown Sacramento. The cost will be shared equally by the city, Maloof Sports and Entertainment, and Union Pacific Railroad.

On March 29, 2002, the findings of the research project were made public. The results indicated that the construction of a \$300 million dollar arena could go a long way towards revitalizing downtown Sacramento, but the public would likely have to pay for the majority (probably around 70%) of its construction.

On April 3, 2002, the Sacramento City Council indicated that they were interested in the idea of building a new arena for the Kings in the downtown area, but wanted to proceed slowly. Plans for a new stadium are still in the works.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
San Antonio Spurs	Peter Holt		\$75 (1993)	\$221
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING

Alamodome	1993	\$186	100%	Originally built as a football stadium in hopes of being awarded a NFL expansion team, the Alamodome was funded by a local mass transit tax, and half-cent sales tax.
SBC Center	2002	\$175	84%	The proposal calls for \$146.5 million to be generated through an increase in hotel and rental car taxes. The Spurs will contribute \$28.5 million themselves, which they will raise through a \$1.00 increase in ticket fees for NBA games and a \$1.00 parking surcharge

UPDATE

In February of 2002, the San Antonio Spurs announced that the SBC Center was running over budget, with the Spurs paying for all additional costs incurred in its completion. The additional costs will likely mean that the completion of the SBC Center will cost closer to \$183 million, as opposed to the \$175 million originally expected. Following these cost increases, it appears that the Spurs will be contributing approximately \$40 million to the stadium's construction.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Seattle Supersonics	Howard Schultz		\$250 (2001)	\$200
Arena	ETA	COST (millions)	%'s Publicly Financed	FACILITY FINANCING
Key Arena	1995	\$110	100%	Financed by city bonds. Key Bank paid \$15.1 M for 15-year naming rights deal in 1995.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Toronto Raptors	Maple Leaf Sports and Entertainment and Steve Stavro		\$408 for Raptors, Air Canada Center and land (1998)	\$172
Arena	ETA	COST (millions)	%'s Publicly Financed	FACILITY FINANCING
Air Canada Center	1999	C\$250-265	0%	Privately financed.

UPDATE

Beginning in April of 2002, rumors began to circulate that the Raptors may be interested in moving to Charlotte following the Hornets move to New Orleans. Sources around the Raptors have indicated that financial woes caused by paying players in American dollars while collecting Canadian revenues may make it desirable for the Raptors to move to an American market. These rumors are still largely unsubstantiated.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Utah Jazz	Larry Miller			\$225
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
Delta Center	1991	\$90	21%	Mostly financed by the team owner. The city donated the land.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Vancouver Grizzlies	Michael Heisley		\$160 (2000)	\$118
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
General Motors Place	1995	C\$160	N/A	Privately financed. General Motors Canada paid \$18.5 M for 20-year naming rights in 1995.

UPDATE

In March of 2001 the Grizzlies announced that they would be moving to Memphis for the 2000-2001 season. Please see the listing for Memphis for additional updates.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Washington Wizards	Abe Pollin			\$214
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING

MCI Center	1997	\$260	0	Private loans financed the building, with the District of Columbia providing \$60 M for the infrastructure. In addition, MCI purchased naming rights to the arena for an undisclosed amount.
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UPDATE

Due to his return to the NBA for the 2001-2002 season, Michael Jordan was forced to divest both his equity in the Washington Wizards and his title as Wizards president of basketball operations per an NBA rule prohibiting players from owing shares in any team. As an estimated 5%-10% holder in Lincoln Holdings LLC, Jordan was part owner of the Capitals, the Wizards, and the MCI Center. Thus, Jordan sold his share back to Lincoln Holdings majority owner Ted Leonsis in September of 2001. As was the case when Magic Johnson returned to play for the Lakers in 1995, the Wizards are expected to sell Jordan his share in the team back following his final retirement.