

# NATIONAL BASKETBALL ASSOCIATION

*Note: Information compiled from Forbes Magazine (franchise values), Lexis.com, Sports Business Journal, and other sources published on or before January 12, 2005.*

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
Atlanta Hawks	Atlanta Spirit, LLC		\$250 (2004) includes Atlanta Hawks, Atlanta Thrashers (NHL), and operating rights in Philips Arena	\$232 (+15%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
Philips Arena	1999	\$213.5	91%	The facility was financed through \$149.5 M in taxable revenue bonds that will be paid back through stadium revenues. A new 3% car rental tax pays for \$62 M of the public infrastructure costs and Time Warner contributed \$20 M for the remaining infrastructure costs.

### UPDATE

The purchase of the Hawks, Atlanta Thrashers (NHL) franchise, and operating rights in Philips Arena to the Atlanta Spirit, Inc. was finalized in March 2004. A recently reported investor with a 1% share in the franchise is Atlanta Hawks legend Dominique Wilkins.

### NAMING RIGHTS

Philips Electronics is paying \$185 million over 20 years for the naming rights that expire in 2019.

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
Boston Celtics	Boston Basketball Partners LP, a group made up of Wycliffe Grousbeck, H. Irving Grousbeck and Stephen Pagliuca.		\$360 (2002)	\$290 (+6%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
FleetCenter	1995	\$160	0%	Privately financed and owned by the NHL's Bruins.

#### **UPDATE**

Although the lease with the FleetCenter does not expire until 2011, there have been rumors floating around that the Celtics will leave the FleetCenter and build their own arena because of disputes with FleetCenter and Boston Bruins owner, Jeremy Jacobs. So far the owners of the Celtics have not confirmed these rumors and there has been no visible movement towards breaking away from the FleetCenter.

#### **NAMING RIGHTS**

Fleet Bank pays \$2 million per year to Jeremy Jacobs, owner of the Bruins, for the 15-year naming rights deal that expires in 2010. FleetBoston Financial was sold to Bank of America and in January 2005 the Bank of America announced that it would not change the name of the Center and would actually pay \$3 million to exit the existing naming rights deal. A search for a new naming rights sponsor will begin by the end of January 2005, but the Center will continue to be called the FleetCenter until the naming rights are re-sold.

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
Charlotte Bobcats	Robert Johnson		\$300 (2002) “Estimated”	N/A
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
Charlotte Coliseum (2004-2005 Season)	1988	\$52	100%	Publicly funded
“New Arena”	2005 (Est.)	\$265	65%	Two bonds, backed by revenue from city tourist taxes. Bank of America, Duke Energy and Wachovia are underwriting \$100 M in exchange for approximately \$50 M from the sale of real estate downtown, where the venue will be located. An additional \$16.8 M is coming from the authority, which receives exclusive food and beverage rights for its contributions; and the balance from the team.

#### **UPDATE**

The Charlotte Bobcats are currently playing in the Charlotte Coliseum until their new arena opens in time for the 2005 season. The new arena will host 18,500 seats including 12 founder suites, 51 private suites, 4 party suites, 60 loge boxes and 2,600 club and courtside seats. The arena will also host an interactive arcade area sponsored by the Bobcat’s official soft drink provider, Coca-Cola. Once finished, the team will have to play in the new arena for 25 years or pay a maximum of \$200 million in damages.

#### **NAMING RIGHTS**

According to a recent Charlotte Business Journal report, the Bobcats are trying to sell naming rights for the new arena for more than \$4 million per year with a minimum commitment of 10 years.

<b>Team</b>	<b>Principal Owner</b>	<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>	
Chicago Bulls	A 29 member ownership group, headed by Jerry Reinsdorf	\$9 (1985)	\$368 (+3%)	
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
United Center	1994	\$150	7%	Joint venture between Bulls and NHL Blackhawks. Financed jointly with city and private corporations.
<b>NAMING RIGHTS</b>				
United Airlines is paying \$25 million over 20 years for the naming rights that expire in 2014.				

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
Cleveland Cavaliers	George and Gordon Gund		\$20 (1983)	\$298 (+15%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
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.
<p><b>UPDATES</b></p> <p>Dan Gilbert, a Detroit businessman and the chairman of Quicken Loans, is rumored to have bid \$375 million for both the Cavaliers franchise and the Gund Arena Co. Even if the team is sold, the new owners are not expected to move the team because the lease of the Gund Arena is one of the most valuable aspects of the package. Currently the Cavaliers pay extremely low rent on the arena and are able to make a profit through the promotion of concerts and other events at the arena.</p> <p><b>NAMING RIGHTS</b></p> <p>Gordon Gund is paying \$14 million over 20 years for the naming rights that expire in 2014.</p>				

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
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.	\$374 (+11%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
American Airlines Center	2001	\$420*	38%	The City capped its spending at \$125 M and the Mavericks owner, Mark Cuban, and Stars owner, Tom Hicks, covered 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 a \$3.4 M per-year lease with the teams for 30 years.
<b>UPDATES</b>				
<p>Currently, owner Mark Cuban is attempting to gear up the American Airlines Center to be a state-of-the-art, Wi-Fi access venue. The technology will let fans in premium-section seats order food and drinks, and give security personnel using PDAs access to 180 wireless security cameras that cover more than 1 million square feet of the arena. In addition, the Dallas Area Rapid Transit (DART) just opened a station at the American Airlines Center, thus connecting the Center to downtown Dallas.</p>				
<b>NAMING RIGHTS</b>				
<p>American Airlines is paying \$195 million over 30 years for the naming rights that expire in 2031. In 2003, when American Airlines restructured to prevent filing for bankruptcy, the annual payments were restructured.</p>				

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
Denver Nuggets	Stan Kroenke		\$450 (2000) (Includes Nuggets, Avalanche, and Pepsi Center. The Nuggets alone were \$202)	\$268 (+23%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
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.
<b>NAMING RIGHTS</b>				
Pepsi is paying \$68 million over 20 years for the naming rights that expire in 2019.				

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
Detroit Pistons	William Davidson		\$8 (1974)	\$363 (+28%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
The Palace of Auburn Hills	1988	\$70	0%	Privately financed by a bank loan and equity contribution by team ownership.
<b>NAMING RIGHTS</b>				
In 1998 the owners of The Palace hired a marketing company to negotiate the rights to rename the arena, but no deal ever developed. As of November 2004, there are still no plans to sell the naming rights to the palace.				

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
Golden State Warriors	Christopher Cohan		\$95 (75% share) (1995)	\$228 (+21%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
The Arena in Oakland	1966	\$25.5	100%	In 1997, the arena was renovated. The city and the county issued \$140 M. 80% was refinanced by private loans guaranteed by the Warriors and the remaining 20% was paid by the city and county.

#### **UPDATE**

Current owner, Christopher Cohan, recently sold a 20% share of the Golden State Warriors to a group of four businessmen, including Michael Marks, Jim Davidson, and John Thompson. This deal is still pending approval from the NBA. It is rumored to be worth \$50 to \$60 million.

#### **NAMING RIGHTS**

In April 2004, the team was talking to Ross Stores Inc. about purchasing naming rights for the arena. Sources say a deal of \$30 - \$50 million would not be unreasonable due to the location and the market. If the team is able to make a deal within the next three years, the team would get 60% of the revenue and the rest would go to the Oakland-Alameda County Coliseum Authority. If a deal is not reached in that time the responsibility to get a deal will go back to the Coliseum Authority, as part of the settlement between the two groups reached in September 2003. As of November 2004, there has been no further progress between Ross Stores Inc. and the Arena for naming rights.



<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
Houston Rockets	Leslie Alexander		\$85 (1993)	\$369 (+33%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
Toyota Center	2003	\$212-252	100%	The city spent \$20 on the land for the arena. The sports authority will sell \$182 M in bonds to build the arena and secure \$125 M of that with money from hotel and car rental taxes. The garage project is paid for by private business. The Rockets are responsible for cost overruns and have pledged to spend \$20 M on enhancements.

#### **UPDATES**

The NBA recently announced that the city of Houston and the Toyota Center will be hosting the 2006 All-Star Game.

#### **NAMING RIGHTS**

In July 2003, the Rockets signed a 20-year, \$100 million deal with Gulf States Toyota Inc, which will expire in 2023. The major lure for Toyota to sign the naming rights deal with Houston was the signing of Yao Ming, who is very popular in the Asian market. While Toyota Motor Sales USA and Toyota Motor Corporation in Japan signed off on the deal and will fund an undisclosed portion of the purchase, Gulf States Toyota and the dealerships that it represents will be paying most of the fee. While the naming rights deal is for 20 years, it can be extended to 30 years to match the deal that the Rockets currently have to stay in the arena.

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
Indiana Pacers	Melvin and Herbert Simon		\$11 (1983)	\$311 (+11%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
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.
<b>NAMING RIGHTS</b>				
<p>Conseco is paying \$40 million over 20 years for the naming rights that expire in 2019. Conseco has continued to defy Wall Street expectations since declaring bankruptcy in 2002. With the appointment of a new CEO, the company recently beat third quarter earning projections and has managed to stay out of legal trouble with New York Attorney General Elliot Spitzer. As the company continues to emerge from near financial ruin, it will maintain the naming rights of the Conseco Fieldhouse.</p>				

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
Los Angeles Clippers	Donald T. Sterling		\$13 (1981)	\$224 (+8%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
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 incremental tax financing will also be provided by the city's Community Redevelopment Agency. The Clippers, Kings, and Lakers share the arena owned by Philip Anschutz, who also owns 30% of the Lakers. Another \$ 100 M is from a naming rights deal and private loans.
<b>UPDATE</b>				
<p>Construction is yet begin on the new \$1 billion addition to the area between the Staples Center and the Los Angeles central business district. The development could house a 7,300-seat theater, a 1,200-room hotel, other smaller hotels, restaurants, stores, offices and residential units. Currently the developers who are asking for financial assistance from the city to help make the hotel finances work are holding up construction. Civic leaders including Mayor James K. Hahn have said they support the project but are reserving judgment on whether to help finance it until they see more specific figures.</p>				
<b>NAMING RIGHTS</b>				
<p>Staples is paying \$100 million over 20 years for the naming rights that expire in 2019.</p>				

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Los Angeles Lakers	Dr. Jerry Buss		\$20 (1979)	\$510 (+14%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
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 share the arena owned by Philip Anschutz, who also owns 30% of the Lakers. Another \$ 100 M is from a naming rights deal and private loans.

#### **UPDATE**

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#### **NAMING RIGHTS**

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<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
Memphis Grizzlies	Michael Heisley, Sr.		\$160 (2000)	\$238 (+5%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
The Pyramid	1992	N/A	N/A	
FedEx Forum	Sept. 2004	\$250	83%	Funding for the arena comes from \$206.9 M in revenue bonds sold by the Shelby County Sports Authority as well as in part by a \$1.15 per ticket fee and a state sales tax rebate on the sale of merchandise and concessions at the arena. The balance comes from the team.

#### **UPDATE**

The FedEx Forum opened on Labor Day 2004, in time for the Grizzlies' 2004-2005 season.

#### **NAMING RIGHTS**

The club level at the FedEx Forum will be named First Tennessee Club, for First Tennessee Bank. While the details of the agreement were not announced, the deal is said to be worth more than \$10 million.

Federal Express is paying \$4.5 million per year for the naming rights that expire in 2023.

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
Miami Heat	Micky Arison		\$68 for 88% (1995)	\$279 (+18%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
American Airlines Arena	1999	\$241.3	59%	The plan called for the public to provide \$141.2 M that would come from hotel and transportation taxes.
<b>UPDATES</b>				
<p>With the recent acquisition of Shaquille O’Neal, the Miami Heat and the American Airlines have seen a huge increase in their ticket sales as well as their merchandising sales.</p>				
<b>NAMING RIGHTS</b>				
<p>American Airlines is paying \$42 million over 20 years for the naming rights that expire in 2019. American Airlines restructured some of its payments for the naming rights in 2003 in order to avoid bankruptcy.</p>				

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
Milwaukee Bucks	Herb Kohl		\$18 (1985)	\$199 (+14%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
Bradley Center	1988	\$71	0%	Money for the arena was donated by the Pettit family as a gift to the people of Wisconsin and in memory of Jane Bradley Pettit's father, Harry Lynde Bradley. The team does not pay rent and gets a percentage of suite revenue and concessions.

#### **UPDATE**

The Bucks currently have a one-year lease for the Bradley Center that is set to expire on September 30, 2005. Bucks owner Senator Herb Kohl has asked for a long-term lease, possibly for as many as eight years, but that lease is held up by the possible merger of the Wisconsin Center District and the Bradley Center. CSL International has been hired by the Wisconsin Center District to create a financial report that will hopefully be the foundation for the possible merger.

#### **NAMING RIGHTS**

The money for the Bradley Center was donated by the Pettits with the understanding that it would always be named the Bradley Center after Jane Bradley Pettit's father, Harry Lynde Bradley. The Board has said that under no circumstances would the naming rights be sold.

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
Minnesota Timberwolves	Glen Taylor		\$88.5 (1995), and an additional \$6 for 10% of the team in 1996.	\$291 (+26%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
Target Center	1990	\$117	100%	Financed through tax-exempt bond issue.
<b>UPDATE</b>				
<p>The Timberwolves have recently renovated the Target Center with over 19,000 new blue seats and the addition of an exclusive high-end club, “the Cambria Club.” Membership to the Cambria Clubs costs \$2,000 as an initial fee and \$6,000 per year in tickets, drinks, dinners or other amenities. The cost of the Cambria Club is being underwritten by Cambria, the Le Sueur-based quartz countertop company. In addition, the cost of the new seats is being financed out of proceeds from parking near the Target Center, a 3 percent city-imposed arena entertainment tax and tax-increment dollars generated by the facility.</p>				
<b>NAMING RIGHTS</b>				
<p>Target is paying \$18.8 million over 15 years for the naming rights that expire in 2005. The Center recently eliminated several luxury boxes to create “the Cambria Club,” a private suite-level bar, restaurant, place-to-be-seen on the west end of the Target Center.</p>				



<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
New Jersey Nets	Bruce Ratner		\$300 (2004)	\$296 (+22%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
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**

Bruce Ratner hopes to have the Nets moved to Brooklyn by the 2007-2008 season. Ratner plans to construct a \$500 million arena in Prospect Heights to house his newly relocated team. In addition to the arena, Ratner wants to build 4,500 apartments and 2.4 million square feet of retail space. Half of the proposed 4,500 residential units would go to affordable and middle-income housing, with another 10 percent set aside for seniors. The construction schedule has Ratner and his company beginning construction sometime in 2006, with the arena and the first housing units done within 18 months. However, Ratner has been the target of criticism of late because many players and fans feel that he is putting the move to Brooklyn ahead of the quality of the current team.

#### **NAMING RIGHTS**

Continental Airlines is paying \$29 million over 12 years for the naming rights that expire in 2011. Since the Nets have been sold to Bruce Ratner and he has proposed moving the team to Brooklyn, there has been a reduction in the fees that Continental Airlines are paying the New Jersey Sports & Exposition Authority.

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
New Orleans Hornets	George Shinn and Ray Wooldridge		\$80 for 50%: (1999)	\$225 (+4%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
New Orleans Arena	1999	\$110	100%	Publicly funded through \$110 M in revenue bonds. The Hornets pay \$2 M a year for rent and receive all revenue from premium seating, advertising, naming rights, concessions, novelties and parking

#### **UPDATES**

Hornets owner George Shinn has reportedly reached a deal to regain full control of the team he founded in 1987. Shinn has been negotiating for months to buy out his minority partner, Ray Wooldridge, who paid \$56 million for a 35 percent stake in the team in July 1999. Shinn will pay \$65 million to Wooldridge if the deal is approved by the NBA's board of governors, who have been sent the paperwork for review, the newspaper reported, citing league sources.

#### **NAMING RIGHTS**

When the Hornets moved to New Orleans, city officials gave them the exclusive right to sell the naming rights to the arena and keep all of the profits. Since 2001, the state has contracted with two different sports marketing firms to get naming rights deals for both the Superdome and the New Orleans Arena, but both firms have been unsuccessful.

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
New York Knicks	The team and arena are owned by Cablevision Systems Corp. (60%) and Fox Entertainment Group. (40%)		Fox acquired 40% of the Knicks, the New York Rangers, Madison Square Garden, and MSG Cable Network in 1997 for \$850. The Knicks alone cost \$300.	\$494 (+23%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
Madison Square Garden	1968	\$43	100%	\$200 M renovation between 1989-1991.
<b>UPDATE</b>				
<p>Madison Square Garden officials say they are making plans for a new stadium. Mayor Bloomberg said that he would also like to see a new Madison Square Garden built on the West Side, along with the Jets stadium. Other possibilities, he said, included building a new arena as part of the refurbishment of Penn Station, or on a vacant parcel of land on Eighth Avenue. Cablevision, in turn, has pointedly announced that it would renovate the Garden without asking for additional city subsidies. Officials in the Bloomberg administration say they hope Cablevision will cease its war against the Jets' project and seek the city's help in building a new Garden at another location.</p>				
<b>NAMING RIGHTS</b>				
<p>Madison Square Garden's history is probably the most significant reason the owners have stated that they would never sell the naming rights to the arena. The history spans from 1879 when Madison Square Garden I opened, to the grand opening of Madison Square Garden IV in 1968.</p>				

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
Orlando Magic	Richard DeVos		\$85 (1991)	\$218 (+10%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
TD Waterhouse Centre	1989	\$102	100%	Publicly funded.
<b>UPDATES</b>				
<p>The Orlando Magic has been trying to get a new arena built for the last several years, but has had little success with the county and city governments. Recently, David Stern has suggested that if a new arena is not built soon, then the team could possibly be moved either to St. Louis or Kansas City; both cities have built or plan to build new arenas.</p>				
<b>NAMING RIGHTS</b>				
<p>TD Waterhouse is paying \$7.9 million over 5 years for the naming rights that expire in 2005.</p>				

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
Philadelphia 76ers	Comcast-Spectator		\$125 (1996)	\$342 (+4%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
Wachovia Center	1996	\$206	11%	Private loans and contribution from Spectator. The city and state also contributed for the infrastructure. CoreStates paid \$40 M for 29 years for the naming rights.
<b>NAMING RIGHTS</b>				
<p>First Union Center and the First Union Spectrum is now Wachovia Center and Wachovia Spectrum. Wachovia acquired First Union in 2001 but the name changes did not take place until August 2003.</p>				

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
Phoenix Suns	Suns Legacy Partners, a group including Robert Sarver, who owns 30%, Steve Kerr, Sean Elliot, and Bryan Colangelo.		\$401 (2004)	\$356 (+26%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
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 \$500,000 per year (with annual 3% increase) and 40% of revenue from luxury boxes and advertising.

#### **UPDATE**

The America West Arena recently got a facelift including a new audio system, lighting, a scoreboard with four high-definition video screens, eight LED boards, and a 360-degree LED message board between the two suite levels. Deep-pocketed fans in the 264 courtside seats will have access to a new club located near the team's locker room that features a complimentary dinner and beverages. The 88 luxury suites will each have a 43-inch, flat-screen plasma TV to have a better view of game action. There is also a new 8,000-square-foot lounge on the upper suite level for the team's Platinum Club members, and 16 additional loge boxes. The makeovers are part of a \$67 million renovation that began in 2001 to make Phoenix's downtown arena competitive with the state-of-the-art Glendale Arena, which opened in December. Earlier additions have included more women's restrooms, team offices, an Italian restaurant and an air-conditioned glass pavilion with ticket offices. The Suns are paying \$40 million for the improvements. The city of Phoenix is providing \$22 million in subsidies and a \$5 million low-interest loan to the Suns. Most ticket buyers are paying a surcharge to help finance the debt.

#### **NAMING RIGHTS**

America West is paying \$26 million over 30 years for the naming rights that expire in 2019. The team is currently looking for naming rights sponsors for new renovations such as a 7,000 square foot club on the upper level.

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
Portland Trail Blazers	Paul Allen		\$70 (1988)	\$247 (-9%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
Rose Garden	1995	\$262	13%	Public and private funds. The plan called for the public money to be supplied by city bonds backed by event revenues. The city also contributed \$34.5 M for roadwork and utilities. \$46 M in private money came from team owner, Paul Allen.

#### **UPDATE**

The Portland Trail Blazers are one step closer to having a new landlord, after a federal bankruptcy court judge signed a plan Monday that will transfer ownership of the Rose Garden to a consortium of companies that financed the arena's construction. The reorganization plan calls for a newly- formed company called Portland Arena Management LLC to take over the assets of Oregon Arena Corp. -- the Rose Garden, a management contract for neighboring Memorial Coliseum and other Rose Quarter leases, contracts and trademarks -- on December 31. The new company will own and operate the Rose Garden, hosting professional basketball, music concerts and monster truck shows on behalf of the coalition of lenders, which include pension funds, insurers and banks.

#### **NAMING RIGHTS**

Team owner, Paul Allen, decided not to sell the naming rights to the Arena in favor of a more community oriented name.

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
Sacramento Kings	Gavin and Joseph Maloof		The Maloofs bought 24% in 1998 and 29% in 1999 for between \$240 and \$250 total.	\$330 (+20%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
ARCO Arena	1988	\$40	0%	Financed with private funds.

#### **UPDATE**

Owners Joe and Gavin Maloof are still hoping to build a new arena because of the ARCO Arena's age and current condition. Built inexpensively and lacking the modern amenities (luxury suites, club seats, etc.) necessary for owners to compete economically in the entertainment forum, Arco is cracked and creaking, the foundation too unsteady to withstand massive renovation. It also has visibly exhausted its physical utility. Opposing players complain about the lack of hot water in the showers. The small concourses limit the number of concession stands and prompt long lines and large crowds. League media officials wince whenever the Kings reach the playoffs; an insufficient number of seats are available to satisfy requests from the national and international press. Conversations between the Maloof brothers and the civic leaders of Sacramento have been choppy at best, but David Stern recently intervened and attempted to get the talks jumpstarted.

#### **NAMING RIGHTS**

ARCO is paying \$10 million over 10 years for the naming rights that expire in 2007. The naming rights deal was originally signed in 1985 as a ninety-nine year deal for only \$7.5 million. In 1997, the deal was renegotiated to \$750,000 per year for ten years. ARCO was bought by British Petroleum since then, but the company is going to keep the ARCO name because of its recognition on the west coast.

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
San Antonio Spurs	Peter Holt		\$75 (1993)	\$324 (+15%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
SBC Center	2002	\$175	84%	The proposal called for \$146.5 M to be generated through a county tax increase and an increase in hotel and rental car taxes. The Spurs contributed \$28.5 M themselves, which they will raise through a \$1.00 increase in ticket fees for NBA games and a \$1.00 parking surcharge. The bulk of the facilities revenues will go to the team.
<b>UPDATES</b>				
David Robinson has completed his purchase of a 1.88-percent share of the franchise from former Spurs president and chief executive officer Jack Diller.				
<b>NAMING RIGHTS</b>				
SBC Communications is paying \$101 million over 20 years for the naming rights that expire in 2022.				



<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
Seattle Supersonics	Howard Schultz		\$250 (2001)	\$205 (+4%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
Key Arena (Renovated from the shell of the Seattle Center Coliseum)	1995	\$74	100%	Financed through city bonds, revenue from the naming rights deal with Key Bank, and a \$115,000 per game rent fee paid by the Sonics. No revenues came from tax dollars.

#### **UPDATE**

Key Arena is currently undergoing \$4.6 million of renovations. Renovations include improving signage and public facilities as well as building a monorail station to serve the arena. The team's lease runs out in 2010 but the building bonds run until 2020, thus the city wants to keep the Sonics in the venue. The city also wants the team to be more aggressive in marketing the luxury suites. This has been a challenge because of the competition from the Mariners' Safeco Field and the Seahawks' new stadium.

#### **NAMING RIGHTS**

Key Bank is paying \$15.1 million over 15 years for the naming rights that expire in 2010.

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
Toronto Raptors	Maple Leaf Sports and Entertainment, LTD		\$408 for Raptors, Air Canada Center and land (1998). Raptors alone cost \$125.	\$297 (+19%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
Air Canada Center	1999	\$250-265 C	0%	Privately financed.
<b>NAMING RIGHTS</b>				
Air Canada is paying \$30 million over 20 years for the naming rights that expire in 2019.				

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
Utah Jazz	Larry Miller		\$24 (1985)	\$257 (+7%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
Delta Center	1991	\$90	21%	Mostly financed by the team owner. The city donated the land.
<b>NAMING RIGHTS</b>				
Delta Airlines is paying \$25 million over 20 years for the naming rights that expire in 2011.				

<b>Team</b>	<b>Principal Owner</b>		<b>Recent Purchase Price (\$/Mil)</b>	<b>Current Value (\$/Mil) (Percent Increase/Decrease From Last Year)</b>
Washington Wizards	Abe Pollin		\$1 (1964)	\$273 (0%)
<b>Arena</b>	<b>ETA</b>	<b>COST (millions)</b>	<b>% Publicly Financed</b>	<b>FACILITY FINANCING</b>
MCI Center	1997	\$260	0	Private loans financed the building, with the District of Columbia providing \$60 M for the infrastructure. The Wizards are part owners.
<b>NAMING RIGHTS</b>				
MCI pays \$2.2 million a year for a total of \$44 million for the naming rights that expire in 2017.				