

NATIONAL BASKETBALL ASSOCIATION

Note: Information compiled from Forbes Magazine (franchise values), Sports Business Daily, RSV Fax, RSV, Sports Industry Update, Sports Business Journal, and other sources published on or before December 12, 2000.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Atlanta Hawks	Time Warner, Inc.			\$184
Arena	ETA	COST (millions)	%'s Publicly Financed	FACILITY FINANCING
Philips Arena	1999	\$213.5	81%	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	Publicly traded partnership			\$212
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.

UPDATE

Celtics Chair Paul Gaston has recently increased his ownership stake of the franchise by purchasing over 126,000 shares during September 2000. His purchases, which totaled \$1.2 million, increased his ownership stake to more than 60%.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Charlotte Hornets	Ray Wooldridge		\$80 (50%: 1999)	\$144
Arena	ETA	COST (millions)	%'s Publicly Financed	FACILITY FINANCING
Charlotte Coliseum	1988	\$52	100%	Publicly funded.

UPDATE

In July 2000, the Charlotte City Council voted unanimously to begin negotiations with the Hornets for a new \$200 million arena. Reports have put early financing contributions at \$94 million from the city and \$22 from the state, while the team has reportedly committed \$62.5 million to the project. The city has stated that it would require a 25-year lease from the team.

By September of 2000, the plan seemed dead and the city was close to pulling out of discussions. The two sides are up against a December 31, 2000 deadline, after which the team is able to opt out of its existing lease.

In late November the city proposed a plan to spend as much as \$280M for several public projects, including a new arena, without help from the Hornets.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Chicago Bulls	Jerry Reinsdorf			\$314
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)
Cleveland Cavaliers	George and Gordon Gund			\$185
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.
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Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Dallas Mavericks	Ross Perot Jr.		\$125 (1996)	\$167
Arena	ETA	COST (millions)	%'s Publicly Financed	FACILITY FINANCING
Reunion Arena	1980	\$27	100%	Publicly financed.
American Airlines Center	2001	\$325	42%	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 \$195 M for the 30-year naming rights.

UPDATE

In early December of 2000, American Airlines Center signed a deal with the North Texas Ford Dealer Association. The Association will pay \$39M over ten years for exclusive presence in the arena's west lobby.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Denver Nuggets	Stan Kroenke		\$404 M (includes Nuggets, Avalanche, and Pepsi Center)	\$175
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.

UPDATE

In July 2000, Stan Kroenke, minority owner of the St. Louis Rams, completed his purchase of 93.5% of the Denver Nuggets, Colorado Avalanche, and Pepsi Center from Liberty Media for \$404 million, slightly under the estimated \$450 million total value of the teams and arena. The deal, which seemingly ends a long effort to find a buyer for the teams, still leaves Liberty with a 6.5% share in ownership.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Detroit Pistons	William Davidson			\$236
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) (1994)	\$168
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)
Houston Rockets	Leslie Alexander		\$85 (1993)	\$206
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
Compaq Center	1975	\$27	100%	Publicly financed
New Arena	2003	\$175	100%	The city will buy the land for the arena. The sports authority will

				sell \$175 M in bonds to build the arena and secure the bonds with money from hotel and car rental taxes.
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UPDATE

The Rockets appear to have finally won their battle to build a new stadium with a new proposal that was agreed upon by the Harris County-Houston Sports Authority. The new deal called for a \$175 million stadium to be financed with \$105 million from the Rockets, also called for the city to receive 5% of arena naming rights, and does not include a ticket tax. However, the financing plan for the Rockets' \$175 million stadium project took another hit on August 12th as Houston Judge Robert Eckels wrote a letter to the Harris County-Houston Sports Authority telling them that its proposal placed an unreasonable burden on Houston taxpayers.

After the judge's ruling, the Sports Authority made concessions based on the judge's recommendations, and had its new arena plan approved two weeks later. To reemphasize its dedication to the project, in mid-September the city agreed to contribute \$20 million towards the arena. On November 7, 2000, voters overwhelmingly passed the plan, which calls for \$30 million from the city to buy the land needed for the arena. As part of the deal, the team will receive nearly all building revenue including parking money during team events. The authority will receive the lesser of 5% of any naming rights deal or \$200,000.00 per year.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Indiana Pacers	Melvin and Herbert Simon			\$232
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			\$154
Arena	ETA	COST (millions)	%'s Publicly	FACILITY FINANCING

			Financed	
Staples Center	1999	\$320.5	22%	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. Staples paid \$100 M for naming rights for 20 years.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Los Angeles Lakers	Jerry Buss			\$360
Arena	ETA	COST (millions)	%'s Publicly Financed	FACILITY FINANCING
Staples Center	1999	\$320.5	22%	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. Staples paid \$100 M for naming rights for 20 years.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Miami Heat	Micky Arison		\$60 (88% share, 1995)	\$225
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)
Milwaukee Bucks	Herb Kohl			\$131
Arena	ETA	COST	%'s	FACILITY FINANCING

		(millions)	Publicly Financed	
Bradley Center	1988	\$71	0%	Money for the arena was donated by the Bradley family as a gift to the people of Wisconsin.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Minnesota Timberwolves	Glen Taylor		\$88.5 (1995)	\$169
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
Target Center	1990	\$117	100%	Financed through tax-exempt bond issue.

UPDATE

After seeing the amenities included in Xcel Arena, home of the NHL’s Minnesota Wild, the Target Center is looking into a possible \$30 million renovation plan that would include club seats, a restaurant and other improvements. Meanwhile, Taylor’s ownership status was put in limbo after the league discovered that he signed player Joe Smith to an illegal, under-the-table contract that violated the salary cap.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
New Jersey Nets	Lewis Katz		\$150 (66%, 1995)	\$179
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

Plans for a new arena for the Nets and NHL Devils took a step backwards after New Jersey Governor Christie Whitman said she would only support \$75 million in infrastructure costs towards a new arena. YankeeNets, owners of the Yankees, Nets, and recently acquired Devils, had been seeking \$123 million from the State. However, Whitman recently hedged on her earlier cap on public funds of \$75 million, but did not discuss how much the state would be willing to invest in a new stadium.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
New York Knicks	Cablevision Systems			\$395
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
Madison Square Garden	1968	\$43	100%	\$200 M renovation between 1989-1992.
UPDATE				
Recently, Garden officials hired NBBJ Sports to begin planning a new arena.				

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Orlando Magic	Richard DeVos		\$85 (1991)	\$165
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
TD Waterhouse Centre	1989	\$102	100%	Public
UPDATE				
In June 2000, discussions began for a new downtown arena and convention center. The proposal called for \$800 million to renovate downtown Orlando and included \$300 million for a new arena. However, the option of renovating the existing Centre is still being looked into. The team, nonetheless, is pushing for a new stadium, and claims that even if \$75 million were invested in renovation, it would not generate enough revenue to overcome the team’s losses. Also, such an extensive renovation would force the existing arena to close for a season, resulting in the Magic having to play its games elsewhere for that season.				

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Philadelphia 76ers	Comcast			\$233
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.
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Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Phoenix Suns	Jerry Colangelo			\$252
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			\$272
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.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Sacramento Kings	Gavin & Joseph Maloof		\$37.5M (for 24% stake: 1998)	\$178
Arena	ETA	COST (millions)	%'s Publicly Financed	FACILITY FINANCING
Arco Arena	1988	\$40	0%	Financed with private funds.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
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San Antonio Spurs	Peter Holt		\$75 (1993)	\$189
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 Arena				

UPDATE

Meanwhile, in late July 2000, the team announced that SBC Communications, a telecommunications company with headquarters in San Antonio, had agreed to a 20-year, \$41 million naming rights deal for the new stadium.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Seattle Supersonics	Ackerly Group			\$187
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
Key Arena	1995	\$107	9%	\$74.5 M from the City and \$20 M from the team. 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	Steve Stavro		\$350 (included Air Canada Centre; 1998)	\$148
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
Air Canada Center	1999	C\$250-265	0%	Privately financed.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Utah Jazz	Larry Miller			\$226

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 (1994)	\$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.

Team	Principal Owner	Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)	
Washington Wizards	Abe Pollin		\$210	
Arena	ETA	COST (millions)	%’s Publicly Financed	FACILITY FINANCING
MCI Center	1997	\$260	N/A	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.