

Appendix 5.2 to Sports Facility Reports, Volume 2, Number 2
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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 August 6, 2001.

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	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	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.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Charlotte Hornets	Ray Wooldridge		\$80 (50%: 1999)	\$144
Arena	ETA	COST	%'s	FACILITY FINANCING

		(millions)	Publicly Financed	
Charlotte Coliseum	1988	\$52	100%	Publicly funded.

UPDATE

The Charlotte City Council voted unanimously to approve agreements with the Hornets allowing for a June 5 arena referendum. Charlotte voters then rejected a \$342 M arena package by a 57% to 43% count. Louisville attorney J. Bruce Miller, who leads the city's effort to obtain a NBA team, indicated that he would be contacting Hornets team officials immediately to resume talks about relocation.

In June, the team agreed to a one-year lease with the city to play at the Charlotte Coliseum. The Hornets will pay \$400,000 in rent next season, and will split parking and concession profits with the city. The team will also receive 20% of the first \$2 M of the Coliseum's profits and 80% of any additional profits.

July 23, the Charlotte City Council voted 8-3 to ask the Coliseum Authority, which manages the city's arena, to contact the Hornets to find out whether they would consider remaining in the city long-term if the Charlotte Coliseum could be retrofitted to include luxury boxes and club seats. The authority was also asked to provide copies of the report produced in the mid-1990s showing it would not be cost effective to retrofit the coliseum and analyze whether those findings are still valid.

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	Mark Cuban		\$125 (1996)	\$167
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 \$195 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 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.

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
TBA	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.

UPDATE

In April, the Harris County-Houston Sports Authority signed off on designs for the Rocket's new downtown arena. The \$175M venue is to open in 2003. However, the opening of the arena could be endangered if a debate between the Rockets and the Harris County-Houston Sports Authority over who will manage construction of the facility can be settled. Construction is scheduled to begin in August 2001. Plans for the new arena call for the structure to go nearly three stories underground with 62% of the seating in the lower bowl.

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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 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)
Los Angeles Lakers	Jerry Buss			\$360
Arena	ETA	COST (millions)	%’s Publicly	FACILITY FINANCING

			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.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Memphis TBD				
Arena	ETA	COST (millions)	%'s Publicly Financed	FACILITY FINANCING
TBD		\$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.

UPDATE

In June 2001, the Memphis City Council voted to approve authorization of "some" of the bonds needed to finance the first phase of a \$250 M NBA arena. The council also approved a \$12 M expenditure associated with the project's start-up costs. The city will use hotel-motel tax revenues rather than property tax revenues to finance these costs. Also, in an effort to avoid a public referendum, City Council members decided to finance its portion of the \$250 M project with revenue bonds rather than general obligation bonds. The use of any general obligation bonds would have required a public referendum before the project could move forward possibly killing the plans altogether.

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.

Team	Principal Owner	Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
Miami Heat	Micky Arison	\$60 (88% share,	\$225

			1995)	
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 (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.

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.

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

YankeeNets, owners of the NBA Nets and the NHL Devils, have reached an agreement with city officials for a new \$335 M, 18,500-seat arena. The facility is scheduled to open in downtown Newark in 2004. The agreement requires YankeeNets to invest \$115 M as well as manage construction and cover any cost overruns. The state will rebate up to \$190 M over 30 years in sales tax revenues generated by an arena district resulting in a three-cent sales tax increase. An additional \$50 M will come from Newark and Essex counties. The teams have agreed to sign a 30-year lease. The development plan calls for \$100 M in privately financed restaurants, commercial space, and a hotel.

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.

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

Continuing to seek public funding for a new arena, the Magic have invited hotel owners opposed to the team’s plan to review their budget and make suggestions for improvement. The Magic want \$121.5 M, mostly from tourist taxes, to help build a new \$250 M arena. The team has offered to invest \$10 M of its own money plus an additional \$40 M in arena revenues.

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 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.

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.

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

			Financed	
Arco Arena	1988	\$40	0%	Financed with private funds.

UPDATE

The Sacramento City Council has approved research funds up to \$150,000 to study the possibility of constructing a new facility for the Kings. The cost will be shared equally by the city, Maloof Sports and Entertainment, and Union Pacific Railroad.

Team	Principal Owner		Recent Purchase Price (\$/Mil)	Current Value (\$/Mil)
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	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 ticket fee for NBA games and a \$1.00 parking surcharge

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	\$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	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.

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			\$210
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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