

Sports Facility Reports



Sports Facility Reports, Volume 9, Appendix 2

National Basketball Association

Team: Atlanta Hawks

Principal Owner: Atlanta Spirit, LLC

Year Established: 1946 in the National Basketball League, joined the NBA in 1949.

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$250 (2004) includes Atlanta Hawks, Atlanta Thrashers, and operating rights in Philips Arena.

Current Value (\$/Mil): \$286

Percent Change From Last Year: +4%

Arena: Philips Arena

Date Built: 1999

Facility Cost (millions): \$213.5

Percentage of Arena Publicly Financed: 91%

Facility Financing: The facility was financed through \$149.5 M in government-backed bonds to be paid back at \$12.5 M a year for 30 years. A 3% car rental tax was created to pay for \$62 M of the public infrastructure costs and Time Warner contributed \$20 M for the remaining infrastructure costs.

[Facility Website](#)

UPDATE: Atlanta Spirit President and CEO Bernie Mullin announced that Hawks season tickets prices would increase about 6%, but the Hawks will still offer season ticket packages in the back rows of the lower level and in the upper level behind the baskets.

NAMING RIGHTS: Philips Electronics is paying \$180 million over 20 years for the naming rights that expire in 2019.

Team: Boston Celtics

Principal Owner: Boston Basketball Partners, LP; consisting of Wycliffe Grousbeck, H. Irving Grousbeck, and Stephen Pagliuca

Year Established: 1946

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$360 (2002)

Current Value (\$/Mil): \$391

Percent Change From Last Year: +6%

Arena: TD Banknorth Garden

Date Built: 1995

Facility Cost (millions): \$160

Percentage of Arena Publicly Financed: 0%

Facility Financing: Primarily from bank financing, Delaware North (25%), City bonds and land (10%) and 2% ticket surcharge.

[Facility Website](#)

UPDATE: The team will raise ticket prices an average of 10-15%, and is also signing on more corporate sponsors worth an additional \$5-10 million. The team is set to unveil a new presenting sponsor for the 2008-2009 season that could be worth as much as \$1-3 million. The goal is to increase overall sponsor revenues by 30%, outpacing the league with averages of 8-15%. The Celtics are also in early talks with Comcast Sportsnet about live streaming games over the Internet and to mobile devices next season. Also, Harrah's Chair & CEO Gary Loveman acquired 2.4% stake in the team in late 2007.

NAMING RIGHTS: FleetBoston Financial paid Bruins owner Jeremy Jacobs \$2 M a year for the 15-year naming rights deal that was to expire in 2010. In 2003 FleetBoston 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 M to exit the existing naming rights deal. In March 2005, arena owner and operator, Delaware North Company, reached a 20-year naming rights agreement worth as much as \$7.5 M per year. The agreement changed the name of the Fleet Center to the TD Banknorth Garden.

Team: Charlotte Bobcats

Principal Owner: Robert Johnson

Year Established: 2004

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$300 (2004) Estimated

Current Value (\$/Mil): \$287

Percent Change From Last Year: +4%

Arena: Charlotte Bobcats Arena

Date Built: 2005

Facility Cost (millions): \$265

Percentage of Arena Publicly Financed: 100%

Facility Financing: The facility was paid for with two bond issues, 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 is located. \$16.8 M is coming from exclusive food and beverage rights, and there is a 3% seat tax at events in city arenas generating \$15 M.

[Facility Website](#)

UPDATE: On April 8, 2008 the Bobcats officially announced a naming rights deal with Time Warner Cable to change the name of Charlotte Bobcats Arena to Time Warner Cable Arena. In addition to the name change, the arena will also be branded with interior and exterior signage, have logos on playing surfaces, and have a concourse gallery dedicated to TWC. The team also made FSN South the exclusive television rights holder of the team, replacing TWC's News 14.

NAMING RIGHTS: Time Warner Cable and the Bobcats have not released terms and years involved in the deal, saying only that they were 'long-term' and 'multiyear'.

Team: Chicago Bulls

Principal Owner: Jerry Reinsdorf

Year Established: 1966

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$10.2 (1985)

Current Value (\$/Mil): \$500

Percent Change From Last Year: +9%

Arena: United Center

Date Built: 1994

Facility Cost (millions): \$175

Percentage of Arena Publicly Financed: 7%

Facility Financing: A joint venture between the NBA's Bulls and NHL's Blackhawks paid for the facility. The City contributed some of the infrastructure costs.

[Facility Website](#)

UPDATE: In May of 2008, Harris Bank and the United Center announced the creation of the Harris Club, an exclusive club set to be completed this summer. The Harris Club is located in the west end of the United Center's Club Suite Level, and membership to the club will include admission to Bulls and Blackhawks pre-season and regular-season games, buffet-style dining and beverages, as well as a parking pass for every two seats purchased. The club also will offer two private, fully equipped meeting rooms, which are available for purchase during United Center events and on non-event days. Membership can be purchased for one-, three- or five-year terms, and tickets for the '08-09 season are available for \$15,750 for the season, or \$175 per seat per game.

NAMING RIGHTS: United Airlines is paying \$1.8 M annually for 20 years for the naming rights that expire in 2014.

Team: Cleveland Cavaliers

Principal Owner: Dan Gilbert and David Katzman

Year Established: 1970

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$375 (2005)

Current Value (\$/Mil): \$455

Percent Change From Last Year: +20%

Arena: The Quicken Loans Arena

Date Built: 1994

Facility Cost (millions): \$152

Percentage of Arena Publicly Financed: 48%

Facility Financing: The arena was built as part of a city sports complex that was funded both publicly and privately. Public funding came 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.

[Facility Website](#)

UPDATE: In September 2007, the CAVS unveiled their brand new \$25 million practice facility in Independence, OH. Nearly every element in the building, down to the exact placement and dimensions of windows looking out from coaching offices to the practice courts, is customized in some fashion.

NAMING RIGHTS: Naming rights for the Quicken Loans Arena was part of the \$375 M purchase deal from Gordon Gund in 2005.

Team: Dallas Mavericks

Principal Owner: Mark Cuban

Year Established: 1980

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$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 M.

Current Value (\$/Mil): \$461

Percent Change From Last Year: -1%

Arena: American Airlines Center

Date Built: 2001

Facility Cost (millions): \$420

Percentage of Arena Publicly Financed: 30%

Facility Financing: The city capped its spending at \$125 M. The Mavericks owner, Mark Cuban and Stars owner, Tom Hicks, covered the remaining amount. Team owners spent \$295 M in private investment dollars. 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 agreement with the teams for 30 years.

[Facility Website](#)

UPDATE: In May 2008, Mavericks owner Mark Cuban teamed up with the Dallas Cowboys in an attempt to bring the NBA All Star game to the new Cowboys stadium in Arlington, TX. No bid has been submitted but NBA officials conducted a site survey of the Cowboys stadium to get a feel for the facility.

NAMING RIGHTS: With one of the largest naming rights deals, American Airlines is paying \$195 M 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 as well.

Team: Denver Nuggets

Principal Owner: Stan Kroenke

Year Established: 1967

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$450 M in 2000 for the Denver Nuggets, the Pepsi Center and 93% of the Avalanche. The Nuggets alone were \$202 M.

Current Value (\$/Mil): \$321

Percent Change From Last Year: +4%

Arena: Pepsi Center

Date Built: 1999

Facility Cost (millions): \$164.5

Percentage of Arena Publicly Financed: 3%

Facility Financing: Financed mostly through private loans. The team also received \$15 M from Liberty Media, \$4.5 M for infrastructure, \$2.25 M in construction sales tax rebates and \$2.1 M annually in property tax exemptions.

[Facility Website](#)

UPDATE: In April 2008, it was announced that the Pepsi Center will become the first arena in the country to commit to offsetting 100% of its electricity demands through purchases of wind power. The arena has launched an ambitious green campaign, buying wind energy, boosting recycling and even hiring a helicopter to detect heat loss with an infrared monitor. Also, the 2008 Democratic National Convention will be held from August 25 to August 28 at the Pepsi Center. The Nuggets will not have access to the Pepsi Center from July 5-September 15.

NAMING RIGHTS: Pepsi is paying \$68 M over 20 years for the naming rights that expire in 2019.

Team: Detroit Pistons

Principal Owner: William Davidson

Year Established: Ft. Wayne Pistons in 1948, moved to Detroit in 1957.

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$8 (1974)

Current Value (\$/Mil): \$477

Percent Change From Last Year: +11%

Arena: The Palace of Auburn Hills

Date Built: 1988

Facility Cost (millions): \$70

Percentage of Arena Publicly Financed: 0%

Facility Financing: Privately financed by a bank loan and equity contribution by team ownership.

[Facility Website](#)

UPDATE: In May 2008, Centerplate, the company managing the Palace's concessions, suffered a first quarter loss of \$11.2 million. The company is looking into a possible sale, saying that it will explore all of the options that would make sense given the current economic and competitive environment. In November 2007, Palace Sports & Entertainment (PSE) signed a three-and-a-half-year naming rights deal with Ameriprise Financial for the 20,000-square-foot club in The Palace of Auburn Hills' Comcast Pavilion at the north entrance. The club, formerly known as the ERS Club, will be called the Ameriprise Financial Club (PSE). Also, in July 2007 the

Michigan Legislature approved "special tax breaks for Michigan Int'l Speedway (MIS), the Palace of Auburn Hills and Comerica Park. The Palace got tax credits totaling as much as nearly \$7[M] through 2012 if it spends at least \$25[M] on renovations.

NAMING RIGHTS: 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 July 2007, there were no plans to sell the Palace's naming rights.

Team: Golden State Warriors

Principal Owner: Christopher Cohan

Year Established: 1946 as Philadelphia Warriors, moved to San Francisco in 1962, moved to Oakland and changed the name to Golden State Warriors in 1971.

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$95 (75% share) (1995)

Current Value (\$/Mil): \$309

Percent Change From Last Year: +16%

Arena: The Oracle Arena

Date Built: 1966

Facility Cost (millions): \$25.5 (\$121 M renovation in 1997)

Percentage of Arena Publicly Financed: 100%

Facility Financing: In 1997, the Arena was renovated. The city and the county issued \$140 M to pay for the renovations. 80% was refinanced by private loans guaranteed by the Warriors and the remaining 20% was paid by the city and county.

[Facility Website](#)

UPDATE: In November 2007, the Warriors renamed the upper level of Oracle Arena "Club 200" in an effort to "appeal to fans who can't sit in [the] lower deck." The team spent \$500,000 upgrading the 10,600-seat level, including adding two new bars and two kids' play areas. The club also has "expanded the food selection [and] added children-only retail stores. Meanwhile, the Warriors sold 5,300 new season tickets this off-season, increasing the total to about 13,000.

NAMING RIGHTS: After a long search, the Golden State Warriors struck a 10-year naming rights deal with Oracle Corp. for \$30 million, the agreement will expire in 2016.

Team: Houston Rockets

Principal Owner: Les Alexander

Year Established: 1967 as San Diego Rockets, moved to Houston in 1971.

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$85 (1993)

Current Value (\$/Mil): \$462

Percent Change From Last Year: +5%

Arena: Toyota Center

Date Built: 2003

Facility Cost (millions): \$235

Percentage of Arena Publicly Financed: 100%

Facility Financing: The city spent \$20 M on the land for the arena. The sports authority sold \$182 M in bonds to build the arena and secured \$125 M of that with money from hotel and car rental taxes. The garage project is paid for by a private business. The Rockets are responsible for cost overruns and have pledged to spend \$20 M on enhancements.

[Facility Website](#)

UPDATE: In April 2008, Cleveland-based Vertix, a company with ownership in common with the Cavaliers, said it had formed a deal with the Houston Rockets and the Toyota Center, allowing the two organizations to use Vertix's Flash Seats paperless ticketing technology. The deal makes the Rockets the first team to adopt Vertix for both primary and secondary ticketing operations.

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. Gulf States Toyota and the dealerships that it represents will be paying most of the fee. Toyota Motor Sales USA and Toyota Motor Corporation in Japan also signed off on the deal, and will fund an undisclosed portion of the purchase. 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.

Team: Indiana Pacers

Principal Owner: Melvin and Herbert Simon

Year Established: Joined the NBA from the American Basketball Association in 1976

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$13 (1983)

Current Value (\$/Mil): \$333

Percent Change From Last Year: -2%

Arena: Conseco Fieldhouse

Date Built: 1999

Facility Cost (millions): \$183

Percentage of Arena Publicly Financed: 43%

Facility Financing: Financing for the facility is a public/private partnership. Public contributions totaled \$79 M, which included \$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. The Pacers contributed \$57 M, while other private sources paid for the rest.

[Facility Website](#)

UPDATE: The Conseco Fieldhouse will host the Big Ten Conference men's basketball tournament for five straight years starting in 2008, winning the Big Ten Bid over Chicago and the United Center.

NAMING RIGHTS: Conseco, an insurance and financial services company, is paying \$40 M over 20 years for the naming rights that expire in 2019.

Team: Los Angeles Clippers

Principal Owner: Donald. T. Sterling

Year Established: 1970 as Buffalo Braves, moved to San Diego as the Clippers in 1978, moved to Los Angeles in 1984.

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$13 (1981)

Current Value (\$/Mil): \$294

Percent Change From Last Year: +3%

Arena: Staples Center

Date Built: 1999

Facility Cost (millions): \$375

Percentage of Arena Publicly Financed: 19%

Facility Financing: Bank of America underwrote a \$305 M loan to finance construction. The

city provided \$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 was also provided by the city's Community Redevelopment Agency.

[Facility Website](#)

UPDATE: In April 2008, the Clippers announced they will increase season-ticket prices by an average of 18.5% next season, including increases as high as 80% for some premium seats in the lower bowl at the Staples Center. Prices will remain the same for 40% of the seats and the average ticket price will increase from about five dollars.

NAMING RIGHTS: Staples, an office supply company, is paying \$100 M over 20 years for the naming rights that expire in 2019.

Team: Los Angeles Lakers

Principal Owner: Dr. Jerry Buss

Year Established: 1947 member of the National Basketball League and joined the NBA in 1948.

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$20 (1979)

Current Value (\$/Mil): \$560

Percent Change From Last Year: -2%

Arena: Staples Center

Date Built: 1999

Facility Cost (millions): \$375

Percentage of Arena Publicly Financed: 19%

Facility Financing: Bank of America underwrote a \$305 M loan to finance construction. The city provided \$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 was also provided by the city's Community Redevelopment Agency.

[Facility Website](#)

UPDATE: In June 2008, sporting goods store Sport Chalet signed a three-year sponsorship deal with the Lakers making it the team's official sporting goods retailer. The deal begins next season and runs through 2011 and includes in-arena PA announcements, broadcast mentions, and in-arena signage on Staples Center scoreboards and LED displays.

The Staples Center was ranked the No. 1 venue in the NBA according to a Sports Business Journal/Sports Business Daily Reader Survey in 2008.

NAMING RIGHTS: Staples, an office supply company, is paying \$100 M over 20 years for the naming rights that expire in 2019.

Team: Memphis Grizzlies

Principal Owner: Michael Heisley, Sr.

Year Established: 1995 in Vancouver, moved to Memphis in 2001

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$160 (2000)

Current Value (\$/Mil): \$304

Percent Change From Last Year: -3%

Arena: FedEx Forum

Date Built: 2004

Facility Cost (millions): \$250

Percentage of Arena Publicly Financed: 83%

Facility Financing: Funding for the arena came from \$206.9 M in revenue bonds sold by the Shelby County Sports Authority, a \$1.15 per ticket fee, and a state sales tax rebate on the sale of merchandise and concessions at the arena. The balance came from the team.

[Facility Website](#)

UPDATE: In February 2008, NBA President of League and Basketball Operations Joel Litvin said there was absolutely no truth to any rumors that the Grizzlies are leaving Memphis. The Grizzlies have a non-relocation agreement that states the team shall not relocate from the City of Memphis during the first ten years at FedEx Forum.

The team announced in April 2008 that the FedEx Forum will build a 3,400-square-foot Floor Seat Holder Lounge for the '08-'09 season. This will give floor-ticket holders a place to mingle before, during, and after games. The lounge will be adjacent to the arena's Lexus lounge and will include free food, beer and wine, and can seat up to 260 people. The budget for the project is in the lower to mid six figures and won't take any business away from the Lexis Lounge. The team will also transform the Green Room into the MVP Legends Lounge, which now will be exclusive to season-ticket holders that have been with the team since it moved to Memphis.

NAMING RIGHTS: Federal Express is paying \$4.5 M per year for the naming rights that expire in 2022. The 20-year deal is worth a total of \$90 M. 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, it is said to be worth more than \$10 million.

Team: Miami Heat

Principal Owner: Micky Arison

Year Established: 1988

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$65 for 88% (1995)

Current Value (\$/Mil): \$418

Percent Change From Last Year: +2%

Arena: American Airlines Arena

Date Built: 1999

Facility Cost (millions): \$194

Percentage of Arena Publicly Financed: 59%

Facility Financing: The team built the arena, with Dade County providing \$8.5 M a year in bed-tax revenue to help pay the debt from the construction costs.

[Facility Website](#)

UPDATE: In October 2007, Converse launched a new marketing campaign highlighting Heat Guard Dwyane Wade's basketball career. The new commercial was shot in the American Airlines Arena.

NAMING RIGHTS: American Airlines is paying \$42 M over 20 years for the naming rights that expire in 2019. To avoid bankruptcy, American Airlines restructured some of its payments for the naming rights in 2003.

Team: Milwaukee Bucks

Principal Owner: Herb Kohl

Year Established: 1968

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$19 (1985)

Current Value (\$/Mil): \$264

Percent Change From Last Year: +1%

Arena: Bradley Center

Date Built: 1988

Facility Cost (millions): \$90

Percentage of Arena Publicly Financed: 0%

Facility Financing: 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.

[Facility Website](#)

UPDATE: In October of 2007, the Bradley Center said it would convert six unused luxury suites into club seating areas including one called Club 71, which will seat up to sixty fans. Club 71 will be similar to Club Cambria, but tickets will not include food or drink. Also, a largely barren concrete plaza is being converted into a valet-parking drop-off for luxury suite holders. It is a \$70,000 project.

In December 2007, the Bucks signed a multi-year sponsorship deal with Peak, an athletic footwear and apparel maker, marking the team's first partnership with a Chinese business since selecting Yi Jianlian in this year's draft. Peak will receive courtside signage at all Bucks games at the Bradley Center, as well as a significant presence on the team's Website.

The Bucks and Harley-Davidson entered into a multi-year sponsorship deal for games at the Bradley Center in February 2008. It will include an in-game feature in which a Harley drives onto the court at full roar. Harley also has court signage for all home games.

In March 2008, the Bucks signed a five-year sponsorship agreement with Miller Brewing Co. that continues Miller's sponsorship of Bucks game radio and cable television broadcasts on the Bucks Radio Network and Fox Sports Net Wisconsin. The deal also continues Miller's status as a building partner, with signage around the building as well as Miller's link with the Miller Lite Home Court, a suite set aside for Miller guests. Terms of the deal were not disclosed.

In addition, Bradley Center officials announced they wanted at least thirty million over ten years for the naming rights to the arena. The Bonham Group, retained to negotiate the deal, has begun to target twenty-nine prominent Milwaukee area companies. However, the Bradley Center abruptly decided to drop plans to sell the naming rights for the facility in April 2008. Lynde Bradley Uihlein and David Uihlein Jr., children of philanthropist Jane Bradley Pettit, who donated ninety million to build the arena as a way of honoring their father, recently wrote a letter to the Journal Sentinel claiming that the sale of naming rights would degrade their mother's gift and would have little impact on the arena's financial future.

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.

Team: Minnesota Timberwolves

Principal Owner: Glen Taylor

Year Established: 1989

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$88.5 (1995), and an additional \$6 M for 10% in 1996.

Current Value (\$/Mil): \$308

Percent Change From Last Year: +0%

Arena: Target Center

Date Built: 1990

Facility Cost (millions): \$104

Percentage of Arena Publicly Financed: 100%

Facility Financing: Financed through a tax exempt bond issue.

[Facility Website](#)

UPDATE: In February 2008, City Council Member Lisa Goodman confirmed that the Target Center will have a green roof, and members of the Community Planning and Economic Development staff have started to go out and bid on green-roof options. Goodman said there are three options for the 100,000 square-foot-roof: a 20,000-square-foot- green roof, a 100,000-square-foot green roof, and the preferred option of a higher-intensity 20,000-square-foot exterior green roof and an 80,000-square foot interior green roof.

NAMING RIGHTS: Target was paying \$18.8 M over 15 years for the naming rights that expired in 2005. The agreement appears to have been extended because the venue has retained the Target name.

Team: New Jersey Nets

Principal Owner: Bruce Ratner

Year Established: Joined the NBA from the American Basketball Association in 1976 as the New York Nets. In 1977 the team changed to the New Jersey Nets.

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$300 (2004)

Current Value (\$/Mil): \$338

Percent Change From Last Year: +4%

Arena: Continental Airlines Arena

Date Built: 1981

Facility Cost (millions): \$85

Percentage of Arena Publicly Financed: 100%

Facility Financing: The arena is part of larger sports complex that houses a football Arena and

horse racetrack. Bonds issued by the New Jersey Sports Authority publicly funded the arena. The debt is paid off by revenue generated from the racetrack.

[Facility Website](#)

UPDATE: Bruce Ratner announced in March 2008 that the slowing economy is likely to delay the signature office tower and three residential buildings at the heart of the Atlantic yards project in Brooklyn. However, no expense is being spared for 130 spacious, luxury suites in the 18,000-seat arena. Suite seats at the Barclays Center will be between \$200,000-\$540,000 per year. Sales for the arena were set to open May 15, 2008. All suites feature a wet bar and refrigerator, pool table, furniture, catered dining, concierge staff, theater-style seating, big-screen TVs and phone and Internet service. Perks will include VIP parking access to exclusive arena restaurants, lounges, entrances, and access to other arena events. The 12-courtside \$540,000 suites will be 340-square-feet in size, and will seat eight.

In June 2008, reports surfaced that the Nets new \$950 million dollar Barclays Center in Brooklyn may be in jeopardy because of the proposed IRS rules concerning the use of tax-exempt bonds. The project's developer has long expected to use tax-exempt financing to reduce its borrowing costs by tens of millions of dollars. State and city officials, and the developer have been lobbying the U.S. Treasury Department either to block the rule change or to provide waivers for projects that had been in the development pipeline. If Nets Owner Bruce Ratner cannot get tax-exempt financing for the arena, it will make the project significantly harder. Nets President and CEO Bretty Yormark said the facility should be there for the 2010-2011 season.

NAMING RIGHTS: Continental Airlines originally was paying \$29 M over 12 years for the naming rights that expire in 2011, \$2.4 M a year. However, because the Devils and Nets are moving out of the arena the fee has been reduced to \$1.4 M.

Team: New Orleans Hornets

Principal Owner: George Shinn

Year Established: 1988 as the Charlotte Hornets, moved to New Orleans in 2002.

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$33 (1987)

Current Value (\$/Mil): \$272

Percent Change From Last Year: +10%

Arena: New Orleans Arena

Date Built: 1999

Facility Cost (millions): \$110

Percentage of Arena Publicly Financed: 100%

Facility Financing: Publicly funded with revenue bonds.

[Facility Website](#)

UPDATE: As of January 2008, the Hornets will continue to explore options for a long-term alternative to the Alario Center. There are no new plans to fund or construct a state-of-the-art practice facility, but members of the Hornets' organization continue to refer to the Alario Center as a short-term solution. Currently, the Alario Center is undergoing an \$8.5 million expansion, a project that was scheduled to be completed late May or early June. The 30,000-square-foot expansion will include room for two regulation-size NBA courts, and new locker rooms. Also in January, the state of Louisiana and the Hornets signed a two-year extension of the New Orleans Arena lease that gives the Hornets an option to leave after the 2008-09 season should the team average less than 14,735 in paid attendance for the final five months of this season and the entire '08-'09 season.

Hornets owner George Shinn told officials in March 2008 that he was interested in scrapping the amended lease agreement he signed in January for a long-term deal. In May 2008, George Shinn again said the he hoped his franchise can come to a long-term agreement to remain in New Orleans before the 2008-09 season begins. While no long-term agreement has been reached, there is a 90% renewal rate on season tickets and there are fewer than 1,000 lower bowl seats available for next year.

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. Both firms have been unsuccessful. In December 2004, the Hornets hired the Bonham group to work on securing a naming rights deal for the arena.

As of June 2008, there is still no naming-rights deal, but SMG, who runs the Arena for the state, hopes the 2008 All-Star Game will attract a corporate sponsor since the game will be broadcasted in 200 countries around the world.

Team: New York Knicks

Principal Owner: Team and Arena are owned by Cablevision Systems Corp. ("CSC") (60%) and Fox Entertainment Group (40%).

Year Established: 1946 as part of the Basketball Association of America, joined the NBA when the leagues merged in 1949.

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$1 billion: 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 M.

Current Value (\$/Mil): \$608

Percent Change From Last Year: +3%

Arena: Madison Square Garden

Date Built: 1968

Facility Cost (millions): \$43

Percentage of Arena Publicly Financed: 100%

Facility Financing: \$200 M in renovations completed in 1991.

[Facility Website](#)

UPDATE: In December of 2007, Madison Square Garden acquired the 86-year-old Chicago Theatre on State Street in Chicago. The purchase price was unavailable.

In February of 2008, the N.Y. City Council passed a resolution asking the Legislature to revoke a permanent property tax exemption Madison Square Garden has enjoyed for more than 25 years.

NAMING RIGHTS: 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 began when Madison Square Garden I opened in 1879. The current Madison Square Garden, Madison Square Garden IV, opened in 1968.

Team: Orlando Magic

Principal Owner: Richard DeVos

Year Established: 1989

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$85 (1991)

Current Value (\$/Mil): \$322

Percent Change From Last Year: +14%

Arena: Amway Arena (formerly named TD Waterhouse Centre)

Date Built: 1989

Facility Cost (millions): \$102

Percentage of Arena Publicly Financed: 100%

Facility Financing: Publicly financed.

[Facility Website](#)

UPDATE: In December of 2007, the Magic unveiled the design for the new 800,000-square-foot, \$480 million Orlando Events Center that includes a new arena scheduled to open in 2010. The proposed drawings show the 18,500-seat arena that would be more than twice the square footage of Amway Arena. It will raise fifteen stories, feature a dramatic glass tower, and an outdoor public balcony twice as big as the basketball court. The new arena will also include four restaurants, bars, and huge glass entryway.

In February 2008, the Magic executives signed an agreement aimed at keeping the team from leaving Orlando before its new arena is built. This supposedly cleared the way for the city to sell

\$280 million in bonds to finance the project. Negotiators concede that the deal leaves open the remote possibility that Orlando could be left with a half-built arena and no team. This signed agreement ends a dispute between Orlando and Orange County officials that threatened to further delay the bond sale. The Magic agreed to add another two years to their repayment period and now if the team leaves in the next twenty-seven years, it must repay the outstanding debt, forfeit the \$50 million it pledged toward construction costs and another \$12 million in lease payments, plus pay back \$23 million in costs from selling the bonds.

Then in April 2008, the city of Orlando announced that it had plans to sell Amway Arena and Bob Carr Performing Arts Centre to help pay for its new arena, performing-arts center, and renovated Florida Citrus Bowl. The new arena will host Magic games.

NAMING RIGHTS: Amway agreed to a 4 year, \$1.5 million naming rights agreement in December 2006. In addition, Amway also will have an initial exclusive option to negotiate for the naming rights of the new Orlando Events Center. The founder of Amway, Richard DeVos, also owns the Magic.

Team: Philadelphia 76ers

Principal Owner: Comcast-Spectator

Year Established: 1946 in the National Basketball League as the Syracuse Nationals, joined the NBA in 1949, moved to Philadelphia in 1963 and became the 76ers.

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$500 which included the NHL's Philadelphia Flyers, the Spectrum Arena, and CoreStates Center. The 76ers alone were \$125 (1996).

Current Value (\$/Mil): \$380

Percent Change From Last Year: +1%

Arena: Wachovia Center

Date Built: 1996

Facility Cost (millions): \$206

Percentage of Arena Publicly Financed: 11%

Facility Financing: \$140 M was financed through a private bank. Comcast contributed \$45 M and \$30 M will come from the naming rights revenue. The state provided \$17 M and the City of Philadelphia is lending \$8.5 M for infrastructure improvements. Additionally, \$10 M came from state capital redevelopment assistance funding for general site improvements.

[Facility Website](#)

UPDATE: In January of 2008, Comcast-Spectator and Maryland-based developer Cordish Co. officially unveiled plans to create Philly Live!, a retail, dining, and entertainment district adjacent to the Wachovia Center. The venue will feature a canopy covering the center plaza, and plans may include a 300-room hotel. The plan for the new venue is still in the very early stages

and the fate of the Wachovia Spectrum, which might be demolished to accommodate a hotel or condominium structure.

NAMING RIGHTS: CoreStates Bank purchased the naming rights for the Center and the Spectrum for \$1.4 M a year until 2023. CoreStates was acquired by First Union, which then merged with Wachovia Bank in 2001, keeping the Wachovia name. In 2003, the Center and Spectrum acquired the new name. It was the arena's third name change in seven years.

Team: Phoenix Suns

Principal Owner: Robert Sarver

Year Established: 1968

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$401 (2004) Purchase price included the WNBA's Phoenix Mercury and the AFL's Arizona Rattlers.

Current Value (\$/Mil): \$449

Percent Change From Last Year: +10%

Arena: U.S. Airways Center

Date Built: 1992

Facility Cost (millions): \$90

Percentage of Arena Publicly Financed: 39%

Facility Financing: 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 to repay a portion of the contribution at \$500,000 per year, with an annual 3% increase. The city will also receive 40% of revenue from luxury boxes and advertising.

[Facility Website](#)

UPDATE: In October 2007, the Suns announced that the Center's renovated media facilities would be renamed the Al McCoy Media Center, recognizing the play-by-play man's 35 years with the team. In November 2007, the NBA awarded the Phoenix and U.S. Airways Center the '09 NBA All-Star Game.

In addition, in February 2008 the Suns announced that Verve would be the sponsor of the new Verve Lounge and the US Airways Center.

NAMING RIGHTS: US Airways is paying \$26 M over 30 years for the naming rights that expire in 2019. In January 2006, the name of the arena was changed from America West Arena to the US Airways Center after America West and US Airways merged in 2005.

Team: Portland Trail Blazers

Principal Owner: Paul Allen

Year Established: 1970

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$70 (1988)

Current Value (\$/Mil): \$253

Percent Change From Last Year: +10%

Arena: Rose Garden

Date Built: 1995

Facility Cost (millions): \$262

Percentage of Arena Publicly Financed: 82%

Facility Financing: 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.

[Facility Website](#)

UPDATE: In June 2008, the Trail Blazers selected AEG Facilities to operate the Rose Quarter, which includes the 20,000-seat Rose Garden and 12,000-seat Memorial Coliseum, for the next five years beginning July 1.

In addition, a woman who fell 42-feet from a Rose Garden balcony was awarded \$2.1 million from a Multnomah County Circuit Court jury.

NAMING RIGHTS: In February 2008, the Blazers again started floating the idea of redeveloping the Rose Quarter as an attempt to sell naming rights to the 13-year-old Rose Garden. However, there is no naming rights agreement in place at this time.

Team: Sacramento Kings

Principal Owner: Gavin and Joseph Maloof

Year Established: 1945 in the National Basketball League as the Rochester Royals, joined the NBA in 1948, moved to Cincinnati in 1957, moved to Kansas City as the Kings in 1972 and moved to Sacramento in 1985.

[Team Website](#)

Most Recent Purchase Price (\$/Mil): The Maloofs bought 24% in 1998 and 29% in 1999 for a total of between \$240 and \$250 M. The purchase price included the WNBA's Sacramento Monarchs and Arco Arena.

Current Value (\$/Mil): \$385

Percent Change From Last Year: +2%

Arena: ARCO Arena
Date Built: 1988
Facility Cost (millions): \$40
Percentage of Arena Publicly Financed: 0%
Facility Financing: Privately financed.
[Facility Website](#)

UPDATE: In May 2008, the NBA and Cal Expo agreed to pursue a new arena deal for the NBA Kings. The parties agreed to solve the financial dilemma at Cal Expo and replace creaky Arco Arena, all without approaching voters about a new tax.

NAMING RIGHTS: ARCO is paying \$750,000 per year for ten years for the naming rights that expire in 2007. The naming rights deal was originally signed in 1985 as a 99-year deal for only \$7.5 M. In 1997, the deal was renegotiated. Since then ARCO was bought by British Petroleum, but the company is going to keep the ARCO name because of its recognition on the West coast.

Team: San Antonio Spurs

Principal Owner: Peter Holt
Year Established: Joined the American Basketball Association in 1967 as the Dallas Chaparrals. Moved to San Antonio as the Spurs in 1973. Joined the NBA in 1976.
[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$75 (1993)
Current Value (\$/Mil): \$405
Percent Change From Last Year: +4%

Arena: AT&T Center
Date Built: 2002
Facility Cost (millions): \$186
Percentage of Arena Publicly Financed: 84%
Facility Financing: \$146.5 M was generated through a county tax increase and an increase in hotel and rental car taxes. The Spurs contributed \$28.5 M, which was raised through a \$1.00 increase in ticket fees for NBA games and a \$1.00 parking surcharge. The bulk of the facilities revenues go to the team.
[Facility Website](#)

UPDATE: In June 2008, Spurs Sports and Entertainment announced that it has entered into an agreement with CPS Energy for the AT&T Center to be powered solely by Windtricity for the next two years. According to CEO Peter Holt, the agreement is all part of an initiative to make the AT&T Center the greenest arena in the country.

NAMING RIGHTS: AT&T is paying \$41 M over 20 years for the naming rights that expire in 2022.

Team: Seattle Supersonics (Oklahoma City TBD)

Principal Owner: Clay Bennett and the Professional Basketball Club, LLC

Year Established: 1967

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$350 (2006). Purchase also included the WNBA's Seattle Storm.

Current Value (\$/Mil): \$269

Percent Change From Last Year: 0%

Arena: Key Arena

Date Built: 1995

Facility Cost (millions): \$94

Percentage of Arena Publicly Financed: 79%

Facility Financing: The arena cost the city \$75 M and the Supersonics \$19 M.

[Facility Website](#)

UPDATE: In April 2008, former Sonics player Fred Brown unveiled a plan to save pro basketball in Seattle with a \$1 billion privately financed sports and exposition complex called the Emerald City Center. The plan included building a retractable-roof arena that could house basketball and hockey franchises. However, new owner Clay Bennett chose to move the team to his hometown, Oklahoma City, beginning with the 2008-2009 season.

In order to move the team, Bennett had to break the team's lease with the KeyArena. This led to a lawsuit which went to federal court in June 2008. However, before a judge could rule on issues related to the lease agreement, Bennett reached a settlement with the city in early July. Bennett was required to pay the city \$45 million immediately. In addition, he must pay another \$30 million in 2013 if the Washington state legislature authorizes at least \$75 million in public funding to renovate KeyArena by the end of 2009 and Seattle doesn't obtain an NBA franchise of its own within the next five years.

The team will play at the Ford Center in Oklahoma City. The team will have a new name, logo, and colors, which will be announced by late September.

NAMING RIGHTS: Key Bank is paying \$15.1 M over 15 years for the naming rights that expire in 2010.

Team: Toronto Raptors

Principal Owner: Maple Leaf Sports and Entertainment, LTD

Year Established: 1995

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$125 (1998)

Current Value (\$/Mil): \$373

Percent Change From Last Year: +18%

Arena: Air Canada Centre

Date Built: 1999

Facility Cost (millions): \$265 Canadian; \$239.5 American

Percentage of Arena Publicly Financed: 0%

Facility Financing: Privately Financed.

[Facility Website](#)

UPDATE: In August 2007, a \$24 million renovation to the 8-year old Air Canada Centre was announced. This will take off the building's West face and replace it with a six-storey, glass atrium. The work should be completed for the 2009-10 Leafs and Raptors seasons. Not only will this renovation make the Centre bigger, but it will also serve as a 24-hour link to the city's underground PATH system, with an enclosed pathway joining Union Station to the entertainment facilities under the condominium buildings. Along with new concessions, the atrium might also include a broadcast center, and a possibly a hall of fame.

Scenes for the Love Guru were filmed at the Air Canada Centre. The Maple Leafs' and Raptors' locker rooms were used in the filming.

NAMING RIGHTS: Air Canada is paying \$40 M Canadian over 20 years for the naming rights that expire in 2019.

Team: Utah Jazz

Principal Owner: Larry Miller

Year Established: 1974 as New Orleans Jazz, moved to Utah in 1979.

[Team Website](#)

Most Recent Purchase Price (\$/Mil) : \$24 (1985)

Current Value (\$/Mil) \$342

Percent Change From Last Year: +15%

Arena: EnergySolutions Arena (formerly the Delta Center)

Date Built: 1991

Facility Cost (millions): \$94

Percentage of Arena Publicly Financed: 22%

Facility Financing: Mostly financed by team owner. The city donated the land and \$20 M for parking and support facilities.

[Facility Website](#)

UPDATE: In April 2008, the Salt Lake City Downtown Alliance published plans to extend the Commuter Rail System from the Energy Solutions Arena to the Intermodal Hub.

NAMING RIGHTS: EnergySolutions bought the naming rights for an undisclosed amount, which expires in 2016.

Team: Washington Wizards

Principal Owner: Abe Pollin

Year Established: Joined in 1961 as the Chicago Packers; changed team name to Zephyrs in 1962; moved to Baltimore as the Bullets in 1963, and then moved to Landover and changed team name to Capital Bullets in 1973; changed name to Washington Bullets 1974, and then moved to Washington DC; changed team name to Wizards in 1997.

[Team Website](#)

Most Recent Purchase Price (\$/Mil): \$1.1 (1964)

Current Value (\$/Mil): \$348

Percent Change From Last Year: +4%

Arena: Verizon Center

Date Built: 1997

Facility Cost (millions): \$260

Percentage of Arena Publicly Financed: 23%

Facility Financing: Private loans financed the building. The District of Columbia provided \$60 M in infrastructure costs.

[Facility Website](#)

NAMING RIGHTS: The name of the arena changed from the MCI Center to the Verizon Center in March 2006. The change was the result of Verizon's merger with MCI. Verizon is paying \$44 M over 15 years for the naming rights that expire in 2017.