

# LEASE SUMMARY

## BASICS

**TEAM: Detroit TIGERS**

**Team Owner:** Mike Ilitch

**Team Website:** <http://detroit.tigers.mlb.com/>

**FACILITY:** Comerica Park

**Facility Website:** <http://mlb.com/det/ballpark/>

**Year Built:** 2000

**Ownership:** Detroit-Wayne County Stadium Authority

### TYPE OF FINANCING:

Public financing paid for 38% (\$115 million) of the ballpark's cost through a 2% car rental tax, a 1% hotel tax, and money from Indian casino revenue. Tigers owner Mike Ilitch footed the remaining 62%. *Appendix 1*, Sports Facility Reports, Vol. 12, <https://law.marquette.edu/assets/sports-law/pdf/sports-facility-reports/v12-mlb-2011.pdf>.

### TITLE OF AGREEMENT:

Amended and Restated Concession and Management Agreement by and between City of Detroit Downtown Development Authority and Detroit Tigers, Inc. Agreed and Approved by Detroit/Wayne County Stadium Authority.

**TERM OF AGREEMENT:** 35 years, beginning on the Commencement Date, which is “the date which is the earlier of the date on which a temporary or permanent certificate of occupancy has been issued for Tiger Stadium or the date on which the Tigers first use the stadium for its intended purposes.” The Tigers also hold six ten-year extension options. –Article 2, pg. 8 & Article 7, pg. 45

## PAYMENTS/EXPENSES

### RENT:

Section 8.1 – **Payments to the Detroit Downtown Development Authority (DDA)**

“[T]he Tigers will pay to the DDA the sum of One (\$1.00) Dollar per year for the Initial Term. . . . [I]n consideration for each Extension Term of this agreement, the Tigers shall pay to the DDA a sum of One Million Dollars (\$1,000,000) per year . . . , such sum to be fixed for each year in each Extension Term.” –pg. 47

## CAPITAL IMPROVEMENTS

Section 11.5 – **Improvements and Alterations by the Tigers**

“Except for Improvements to interior office, clubhouse, training and storage space which may be made in the Tigers’ discretion, the Tigers may make improvements to the Tiger Stadium Project subject to the prior consent of the Authority and the DDA.” –pg. 68

## **Section 11.6 – Major Repair and Replacement Fund**

- (a) “Beginning on December 31 of the sixth (6th) year following the year in which the Commencement Date occurs and on that day in each year thereafter for the remainder of the Term, the Tigers will deposit \$300,000.00 into the Major Repair and Replacement Fund.
- (b) On April 1 of the year after the year in which the Commencement Date occurs, the DDA will deposit \$250,000.00 into the Major Repair and Replacement Fund. On each April 1 thereafter for the remainder of the Term, the DDA shall make an annual deposit in the Major Repair and Replacement Fund in an amount equal to the previous year’s payment plus an increase thereto equal to the percentage increase of the CPI. . . .
- (c) . . . The Major Repairs and Replacement Fund shall be created and maintained by the DDA.” –pgs. 69-70

## **MAINTENANCE**

### **Article 11 – Maintenance, Repairs and Tiger Stadium Management**

#### **Section 11.1 – Assumption of Responsibility**

“Subject to credits for amounts deposited in the Operation and Maintenance Fund by the DDA, and the deposits made by the DDA into the Major Repair and Replacement Fund, the Tigers assume responsibility for Maintenance, Repair, and Tiger Stadium Management throughout the Term. The Tigers shall be responsible to Maintain the Tiger Stadium Project as a first class sports and entertainment complex in good repair and good operating condition, ordinary wear and tear excepted.” –pg. 63

#### **Section 11.2 (a) – Tigers’ Obligations; General Obligations**

“The Tigers are hereby designated operator and manager of the Tiger Stadium Project and shall be responsible for all Tiger Stadium Management. The Tigers shall obtain or provide, at its expense, all labor, services, materials, supplies and equipment needed to perform all Tigers Stadium Management, Maintenance, and security.” –pg. 63

#### **Section 11.2 (g) – Tigers’ Obligations; Operations and Maintenance Fund**

“The DDA shall create and maintain an Operations and Maintenance Fund into which the annual payments by the DDA . . . will be deposited.” –pg. 65

## **USE AND OCCUPANCY**

### **Article 10 – Use of the Tiger Stadium Project**

#### **Section 10.1 – Tiger’s Use**

- (a) “Beginning on the Effective Date and prior to the Commencement Date, the DDA grants to the Tigers the exclusive right (i) to use and operate the Tiger Stadium

Project, other than Tiger Stadium, as one or more concessions, and (ii) to use the Tiger Development Area for development and construction of the Tiger Stadium Project and for activities related to the development and construction of the Tiger Stadium Project.” –pg. 57

- (b) “Beginning on the Commencement Date and continuing for the balance of the Term, the DDA grants to the Tigers the exclusive right to . . . manage, operate and use Tiger Stadium on a year-round basis for the purposes of playing of exhibition, regular season, and post season Major League Baseball home games, hosting a Major League All-Star game and any event associated with it, playing of any amateur or minor league baseball game, . . . and activities related to the playing of Major League Baseball Games.” –pg. 57

“[T]he Tigers shall have the right to the proceeds from the conduct of any and all of the activities at any time during the Term conducted by the Tigers, including, but not limited to, radio and television fees and revenues, parking fees, admission fees, suite licensee fees, signage and advertising sales, concession and vending machine rents or payments, sales of souvenirs, sale of food and beverage . . . , and club membership fees.” –pgs. 58-59

## **RETENTION**

### **NON-RELOCATON / RETENTION CLAUSE:**

#### **Article 14 – Relocation of Team**

“The Tigers shall, from and after the Commencement Date and until the expiration of the Term . . . play all its regular season home games and post-season home games . . . for each season at Tiger Stadium. The Tigers acknowledge that the DDA and the Authority will be irreparably harmed by the relocation of the Team to a location other than the Tiger Stadium Project during the Term of this Agreement.” –pg. 85

- (c) “The Tigers shall not enter into any contract or agreement of any kind to transfer the Tigers’ franchise, which is effective during the Term to a location other than the Tiger Development Area without prior written consent of the DDA and the Authority.” –pg. 86