

LEASE SUMMARY

BASICS

TEAM: San Diego PADRES

Team Owner: John Moores and Jeff Moorad

Team Website: <http://sandiego.padres.mlb.com/>

FACILITY: Petco Park

Facility Website: <http://mlb.com/sd/ballpark/>

Year Built: 2004

Ownership: City of San Diego and the San Diego Padres

TYPE OF FINANCING:

The Padres contributed \$146.1 million toward the construction of PETCO Park. The city contributed the remaining money needed for the stadium. This money was raised through hotel taxes, \$75.4 million from the City Center Development Corp., and \$21 million from the Port of San Diego. An additional \$171.8 million was required for land acquisition and infrastructure. *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:

Joint Use and Management Agreement between The City of San Diego & Padres L.P.

TERM OF AGREEMENT: The later of: (a) 22 years after the Commencement Date or (b) the earlier of (i) the expiration of the initial bonds financing or (ii) 30 years, effective February 1, 2000. The Padres hold two five-year extension options. –Article 4, pgs. 56-57

PAYMENTS/EXPENSES

RENT:

Section 4.4.1 –

Fixed rent of \$500,000 each year is paid by the Padres to the City. –pg. 58

Section 4.4.2 –

“On the fifth (5th) anniversary of the Commencement Date, and on every fifth (5th) anniversary thereafter during the Term, the rent then in effect shall be adjusted upward by the amount of the percentage increase, if any, in (i) the CPI for the period which includes January 1 of the Fiscal Year, over (ii) the CPI for the period which includes January 1 five (5) years earlier. Rent shall not under any circumstances be adjusted downward.” – pg. 59

OPERATING EXPENSES:

Section 7.1.1. –

The Padres are responsible for all ballpark management obligations. –pg. 81

CAPITAL IMPROVEMENTS

Section 8 –

Capital expenditures are paid out of a “Capital Expenditure Reserve Fund” that is controlled by the City and may not fall below \$250,000.00. All expenditures must be approved in writing by both the City and the Padres. –pgs. 113-117

Section 7.8.2 –

“The Padres shall present a proposed Capital Expenditure Budget to the City on or before March 1 of each year during the Term, to allow the City to include it in the City’s annual budget approval process for the following City’s fiscal year.” –pg. 91

MAINTENANCE

Section 7.3 – Playing Field Maintenance and Repair

“On a year-round basis, the Padres shall be responsible for performing and completing day-to-day landscaping and Maintenance of the Playing Field and the other portions of the Ballpark Property and obtaining all supplies in connection with such day-to-day landscaping and Maintenance, including: (a) all necessary preparation and conditioning of the Playing Field before and during all Events, and (b) all landscaping and Maintenance . . . as may be required in the Padres’ reasonable judgment after all Events in order to restore the Playing Field to Major League Baseball condition appropriate for a First-Class Facility.” –pgs. 87-88

RETENTION

NON-RELOCATON / RETENTION CLAUSE:

Section 13.1 – Exclusive Venue

“[T]he Padres shall not allow any Major League Baseball Game in which the Team acts as the host team for its opponent . . . to be played after the Opening Date and for the remainder of the Term in any facility other than the Ballpark Property without first obtaining the written approval of the City.” –pg. 128

Section 13.2 – No Relocation of Team

“During the period after the Opening Date and for the remainder of the Term, the Padres shall not relocate the Team (and shall not permit the Team to be relocated) to a location other than the City of San Diego, California.” –pg. 129