

# LEASE SUMMARY

## BASICS

**TEAM:** Texas RANGERS

**Team Owner:** Nolan Ryan and Chuck Greenberg

**Team Website:** <http://texas.rangers.mlb.com/>

**FACILITY:** Rangers Ballpark in Arlington

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

**Year Built:** 1994

**Ownership:** Arlington Sports Facilities Development Authority, Inc.

### TYPE OF FINANCING:

Financing for the stadium came from \$135 million in bonds sold by the Arlington Sports Facilities Development Authority, and the remaining balance was provided by the sale and lease of luxury suites and seat options, loans guaranteed by the team, a concessions contract with Sportservice, and city street funds. Debt service on the bonds is financed through a \$3.5 million annual rental payment by the team and a .5% local Arlington sales tax that was approved in 1991. *Appendix I*, Sports Facility Reports, Vol. 12, <https://law.marquette.edu/assets/sports-law/pdf/sports-facility-reports/v12-mlb-2011.pdf>.

### TITLE OF AGREEMENT:

Lease Agreement between Arlington Sports Facilities Development Authority, Inc., as Lessor, and Rangers Ballpark, Inc. as Lessee

### TERM OF AGREEMENT:

The Lease shall commence on June 23, 1992 and shall terminate “on the earlier of (i) the thirtieth (30th) anniversary of the Operational Date . . . , or (ii) the fortieth (40th) anniversary of the Commencement Date.” –Section 1.2, pg. 1

## PAYMENTS/EXPENSES

### RENT:

#### Section 2.1 – Initial Period

The Lessee shall pay \$1.00 annually as fixed rental during the Initial Period. –pg. 6

#### Section 2.2 – Base Rental

Effective on the Operational Date, the Lessee shall pay \$1.66,666.67 on the first day of each month, totaling \$2 M per year throughout the remainder of the Term. –pg. 6

#### Section 2.3 – Additional Rent

Effective on the Operational Date, the Lessee shall pay \$125 K of Additional Rent on the first day of each month, totaling \$1.5 M per year throughout the remainder of the Term.  
–pg. 7

## **CAPITAL IMPROVEMENTS**

### **Section 4.1 – Improvement Rights**

“Lessee shall have the right, at its option and in its sole discretion . . . , to develop portions of the Leased Premises and to erect buildings and other improvements on the Leased Premises for any lawful uses and purposes, as long as such development does not unreasonably interfere with the development of the Facilities pursuant to the Master Agreement and this Lease.” –pg. 11

### **Section 5.4 – Operational Standards for Lessee**

“The Leased Premises shall be operated in a reasonable and sound businesslike manner. Lessee shall . . . have full control of the operation of the Leased Premises, including, without limitation, the Facilities and the Improvements.” –pg. 15

## **MAINTENANCE**

### **Section 5.3 – Maintenance**

“Lessee and Lessor shall keep all permanent improvements or buildings that from time to time may be on the Leased Premises in a reasonably good state of repair.” –pg. 14

“Lessee’s obligations for maintenance . . . shall be satisfied by (i) performing or causing to be performed such maintenance activities, and (ii) paying the expenses of such maintenance activities to the extent such expenses exceed the portion of the Admissions Surcharge.” –pg. 14

## **RETENTION**

### **Section 5.5 – Major League Baseball Franchise**

“[T]he ‘Texas Rangers Baseball Club’, as a member club of the League, or its successor or successors, [shall] play all of its regular season home baseball games at the Ballpark for the period commencing on the Operational Date and continuing until the payment in full or defeasance of the Obligations.” –pg. 15