

# LEASE SUMMARY

## BASICS

**TEAM:** Los Angeles ANGELS OF ANAHEIM

**Team Owner:** Arturo Moreno

**Team Website:** <http://losangeles.angels.mlb.com/>

**FACILITY:** Angel Stadium of Anaheim

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

**Year Built:** 1966

**Ownership:** City of Anaheim

### TYPE OF FINANCING:

In April 1998, Disney completed a \$117 million renovation. Disney contributed \$87 million toward the project while the City of Anaheim contributed \$30 million through the retention of \$10 million in external stadium advertising and \$20 million in hotel taxes and reserve funds. *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 Lease Agreement by and between The California Angels L.P. and the City of Anaheim

**TERM OF AGREEMENT:** “[E]ffective on the later of (i) October 1, 1996 or (ii) completion of the Team's home games in the Baseball Stadium in the 1996 Season . . . and shall expire on December 31, 2029, unless extended.” (The original Term is 33 years). The Angels hold 3 three-year extension options. The Angels can terminate the Lease with penalty between October 15, 2016 and February 15, 2017. –Sections 3-5, pg. 11

## PAYMENTS/EXPENSES

### RENT: Section 9 – Rent and Revenue Sharing

- (a) **Base Rent** – paid to Landlord on a semi-annual basis.
- (a) A “Discounted Amount” paid by the Landlord to fund stadium improvements is based on a discount rate of 5.5% of the base rent.
- (b) “[T]he semi-annual amount (the ‘Level Payment Amount’) required to fully-amortize the Discounted Amount with level (*i.e.*, equal in amount) semi-annual payments in arrears during the period commencing on the Commencement Date up to and including December 31, 2029 shall be computed based upon an interest rate of seven and one-half percent (7.5%).”

- (c) “Subject to the following adjustments, the Base Rent payments shall be equal to the Level Payment Amount and shall be paid on each March 31 and September 30 during the Term with a final payment on December 31, 2029:
- (A) The Base Rent payment due on March 31, 1997, for the six month period ending on that date shall instead be paid on March 31, 1999, together with interest on such payment calculated at a rate of seven and one-half percent (7.5%) per annum, compounded semi-annually for the period from March 31, 1997 through March 30, 1999;
  - (B) The Base Rent payment due on September 30, 1997, for the six month period ending on that date shall instead be paid on September 30, 1999, together with interest on such payment calculated at a rate of seven and one-half percent (7.5%) per annum, compounded semi-annually for the period from September 30, 1997 through September 29, 1999;
  - (C) The Base Rent payment due on March 31, 1998, for the six month period ending on that date shall instead be paid on March 31, 2000, together with interest on such payment calculated at a rate of seven and one-half percent (7.5%) per annum, compounded semi-annually for the period from March 31, 1998 through March 30, 2000;
  - (D) The Base Rent payment due on September 30, 1998, for the six month period ending on that date shall instead be paid on September 30, 2000, together with interest on such payment calculated at a rate of seven and one-half (7.5%) per annum, compounded semi-annually for the period from September 30, 1998 through September 29, 2000;
  - (E) The Base Rent payment due on March 31, 2029, shall be equal to the Level Payment Amount plus \$50,000;
  - (F) The Base Rent payment due on September 30, 2029, shall be equal to the Level Payment Amount plus \$100,000; and
  - (G) The Base Rent payment due on December 31, 2029, shall be equal to one-half of the Level Payment Amount.” –pgs. 35-36

#### Revenue Sharing – Additional Rent

- (d) **Ticket Sales** – “Tenant will pay Landlord as additional rent each year during the Term, two Dollars (\$2) for each paid admission ticket to a Team home game held at the Baseball Stadium in excess of [2.6 M] paid baseball admissions to Team home games.” –pg. 38
- (e) **Other Events Revenues** – “If in any year the Other Events Revenues of Tenant exceeds [\$2 M], Tenant will pay Landlord as an additional rent [25%] of such excess.” –pg. 39

- (f) **Parking Revenues** – “If in any year the net operating income received by Tenant from all parking operations at the Stadium Site on days of Team home games . . . exceeds [\$4 M], . . . Tenant will pay to Landlord as an additional rent [25%] of such excess.” –pg. 39
- (g) **PSL Revenues** – “Tenant will pay Landlord as additional rent [20%] of gross revenues, if any, derived by Tenant from the sale of preferred seat licenses (‘PSL Revenues’) and similar financing techniques whereby persons purchase the right to acquire admission tickets to Team home games or facility/club access in the Baseball Stadium.” –pg. 39

## **OPERATING EXPENSES:**

### **Section 22 – Stadium Operations**

“Tenant will operate the Baseball Stadium in a manner which is consistent with first class professional baseball stadium operating practices used in Major League Baseball. –pg. 56

## **CAPITAL IMPROVEMENTS**

### **Section 10 (b) – Capital Reserve Fund**

“In order to establish and maintain a capital expenditure fund (the ‘Capital Reserve’) for the purpose of the making of capital repairs and improvements to the Baseball Stadium (including fixtures, furnishings and equipment) and the Parking Area as required to maintain the Baseball Stadium and Parking Area . . . , Landlord shall deposit into the Capital Reserve an amount equal to Landlord’s Reserve Obligation [maximum amount of \$500,000 and] Tenant will deposit into the Capital Reserve a sum equal to [\$800,000 on a yearly basis].” –pg. 41

### **Section 10(d) – Alterations**

“Tenant may make any interior alterations, additions or improvements to the Baseball Stadium and Parking Area (or the Primary Parking Area if Sportstown is developed) it deems appropriate, and Tenant shall bear all costs of such improvements.” –pg. 43

## **MAINTENANCE**

### **Section 10 (a) – Standard**

“Tenant will maintain the Baseball Stadium in good condition and repair, subject to ordinary wear and tear, at its sole expense (subject to [items] relating to Landlord’s contribution to the Capital Reserve). The standard of maintenance to which Tenant will adhere in the maintenance of the Baseball Stadium will be at least equal to first class professional baseball stadiums. . . . [The] Tenant will not be required to upgrade equipment and systems (such as scoreboard, public address system, telecommunication facilities, etc.) in order to remain state of the art with other stadiums.” –pgs. 40-41

## **USE AND OCCUPANCY**

### **Section 7 (a) – Home, Playoff and World Series Games**

“[T]he Team [shall] play all of its regular Season, playoff and World Series games scheduled for play in the Team’s home territory at the Baseball Stadium throughout the Term, except as otherwise provided in this Lease.” –pg. 26