

# LEASE SUMMARY

## BASICS

**TEAM:** Minnesota Wild

**Team Owner:** Minnesota Sports & Entertainment; headed by Craig Leipold and Philip Falcone

[Team Website](#)

**FACILITY:** Excel Energy Center

[Facility Website](#)

**Year Built:** 2000

**Ownership:**

**TYPE OF FINANCING:** The team contributed \$35 million, \$30 million came from the city through sales tax revenue, and the State of Minnesota provided a \$65 million interest-free loan.

**TITLE OF AGREEMENT:** Arena Lease among City of Saint Paul Civic Center Authority and Minnesota Hockey Ventures Group, LP

**TERM OF AGREEMENT:** “The term of this Lease (‘Term of this Lease’) shall be the period commencing on the Possession Date and concluding on the last day of the twenty-fifth (25th) full Arena Year after the Substantial Completion Date. In any case, the Term of this Lease is subject to earlier termination and to certain options to extend as provided herein.” – Sect. 4.2, pg. 25

“[R]ight and option to renew this Lease for two successive periods of five (5) years each[.]” – Sect. 4.3, pg. 25

## PAYMENT/EXPENSES

**RENT:** Not listed. Disbursing Agreement as Exhibit C (not attached).

**PROJECT COSTS:** Tennant has agreed to provide at least \$35,000,000 to pay for Project Costs and to fund the Excess Tenant Contribution.

## CAPITAL IMPROVEMENTS

“Tenant shall, at its sole cost and expense, make all Capital Improvements which are necessary in order to keep the Arena operating in accordance with Industry Standards and the other purposes for which the Arena is anticipated to be used[.]” – Sect. 10.1, pg. 63

“Tenant shall have the right to withdraw sums on deposit in the Repair and Replacement Reserve Fund at any time to pay or reimburse for the payment of the cost of making Capital Improvements[.]” – Sect. 10.3(1), pg. 64

## MAINTENANCE

“Tenant shall do all things and take all actions necessary for the maintenance, operation and management of the Arena in accordance with this Lease.” – Sect. 8.2, pg. 48

“Tenant shall maintain the Arena and the Arena Parcel in first-class good, clean, sanitary order and repair, not demolish or destroy any part thereof, maintain and operate the Arena and the Arena Parcel consistent with Industry Standards, and perform (or cause to be performed) all maintenance and repairs necessary to achieve and maintain the Arena and the Arena Parcel in compliance with the foregoing standards, and the cost and expense thereof shall be Arena Operating Expenses.” – Sect. 8.6, pg. 52

## **USE**

**TENANT USE:** “Tenant shall have the exclusive right to occupy, use, manage and operate the Arena for its own account, as lessee and not as the agent of City, during the Term of this Lease, subject to the terms and conditions of this Lease and the relevant terms, if any, of the Hockey Playing Agreement and the Permitted Encumbrances.” – Sect. 8.1, pg. 48

“Tenant shall continuously and diligently use, operate, market and promote the Arena as provided in this Lease. During the entire Term of this Lease, Tenant shall use all commercially reasonable efforts to cause the Arena to be occupied and used for sporting events, family shows, exhibitions, concerts, special attractions and other events to the maximum feasible extent and so as to maximize the public use of the Arena.” – Sect. 8.3, pg. 49

**CITY USE:** “Upon reasonable notice to Tenant and subject to availability, City shall have the right to use the Arena without the requirement of rent or any similar charge, for up to five (5) events per twelve month period (commencing on Substantial Completion Date) not to exceed an aggregate of ten (10) days of use, including time for set-up and break-down[.]” – Sect. 7.1, pg. 46

## **ESCAPE CLAUSES**

**TERMINATION:** “Tenant shall have the right to terminate this Lease at any time following the (10th) anniversary of the Substantial Completion Date . . . [t]he termination fee shall be the amount necessary to discharge the City Bonds and State Bonds and any required premiums or early retirement penalties associated with prepayment.” – Sect. 4.5, pg. 26.

“Tenant shall have the option, but not the obligation, to terminate this Lease upon the occurrence of . . . a City Event of Default [making] the Arena . . . unusable in a substantially similar fashion to its operation on the Completion Date,” or “[i]f Tenant shall have the right to terminate this Lease pursuant to Sections 3.1, 3.2, 3.3, 4.5, 17.1, 18.1, or 18.2[.]” – Sect. 21.6, pg. 104

**DEFAULT:** “Upon the occurrence of a Tenant Event of Default, except for the occurrence of a Tenant Event of Default under Section 21.1(3) hereof, City shall have the right but not the obligation to terminate this Lease without obligation to Tenant. In addition, except for the occurrence of a Tenant Event of Default under Section 21.1(3) hereof, City may, with or without terminating this Lease, enter upon and repossess the Arena and the Arena Equipment by appropriate legal proceedings (including unlawful detainer proceedings under Minnesota Statutes, Chapter 566), and may remove Tenant and all other persons and property therefrom.” – Sect. 21.2, pg. 101

## **RETENTION**

**Dispute Resolution:** For any disputes between the parties, “[a]ll claims, disputes, or other matters in question . . . shall be referred to non-binding mediation before, and as a condition precedent to, the initiation of any legal actions hereof, provided for herein. Each party agrees to participate in up to four hours of mediation. The mediator shall be selected by the parties, or if the parties are unable to agree upon a mediator, then any party can request the administrator of the Ramsey County District Court Civil ADR Program and/or similar person, to select a person from its list of qualified neutrals. The mediation shall be attended by employees or agents of each party having authority to settle the dispute. All expenses related to the mediation shall be borne by each party, including without limitation, the costs of any experts or legal counsel. All applicable statutes of limitations and all defenses based on the passage of time are tolled while the mediation procedures are pending, and for a period of thirty (30) days thereafter.” – Sect. 22.14, pg. 109-110