

SEP-13 1994 AA/SA

Resolution No. 94-M-50

MAJOR LEAGUE BASEBALL
FRANCHISE OWNERSHIP

PRELIMINARY APPROVAL
RESOLUTION

WHEREAS, it is desirable and in the public interest for Orange County to pursue bringing a Major League Baseball team to the Orlando area; and

WHEREAS, the "Baseball Ownership Group" with whom the City and Orange County have recently negotiated, specifically comprised of Messers Norton Herrick, Paul A. Jacobs, and Stephen S. Kurtz, is knowledgeable and proficient with respect to Major League Baseball and is qualified, financially capable and willing to make a good-faith effort to bring a Major League Baseball team to Orlando, Florida; and

WHEREAS, any further action to be taken by the County to effectuate the acquisition, design, permitting, construction, financing, leasing and operation of a baseball stadium, and land and facilities related thereto, will be taken only if such action, in the opinion of nationally recognized bond counsel, (i) would not render the interest on any bonds which might be issued for such purposes to be subject to federal income taxation and (ii) would comply with the arbitrage provisions of the Internal Revenue Code; and

WHEREAS, all the various actions needed to effect the design, permitting, financing, construction, leasing, and operation of a baseball stadium for such purposes will be subject to further approvals by the Board of County Commissioners; and

WHEREAS, the terms set forth on the attached document, entitled "Orlando/Orange County Baseball Stadium Lease -- Summary of Expected Terms," constitute only the broad parameters within which the Baseball Ownership Group described above and the City of Orlando and Orange County will negotiate a stadium lease and other pertinent agreements, all subject to the Board's further approvals; and

WHEREAS, the Baseball Ownership Group has offered to invest substantial sums and to expend substantial time and effort to obtain a Major League Franchise for Orlando if the City and the County will accept the understandings set forth in the letter dated September 6, 1994, to the Mayor of Orlando and the Orange County Chairman, a copy of which is attached;

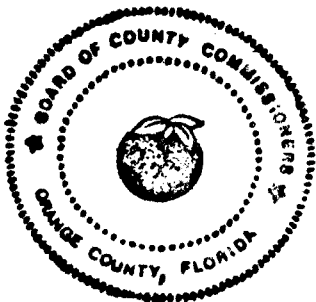
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY

COMMISSIONERS OF ORANGE COUNTY, FLORIDA:

Section 1. Acceptance of Offer. The Board hereby accepts the offer of the Baseball Ownership Group as set forth in the September 6, 1994, letter described above, a copy of which is attached hereto as Attachment "A", and gives preliminary approval and direction to the County Chairman and the County staff to continue negotiations and other actions needed to effect the design, permitting, financing, construction, leasing and operation of a baseball stadium and related facilities, within the parameters set forth in the "Summary of Expected Terms" described above and attached hereto as Attachment "B", and subject to the further approvals of this Board as may be required by state law or county ordinance, regulation or practice.

Section 2. Effective Date. This resolution shall become effective immediately upon its adoption.

This resolution passed and adopted this 13th day of September, 1994.



Board of County Commissioners of
Orange County, Florida

By: Bill Doney
for Linda W. Chapin
County Chairman

ATTESTED: Martha O. Haynie, Comptroller
as Clerk of the Board of County Commissioners

By: Paula Haynie
Deputy Clerk



THE HERRICK COMPANY

A REAL ESTATE INVESTMENT FIRM

2295 Corporate Blvd., N.W., Suite 222, P.O. Box 5010, Boca Raton, FL 33431-0810
(407) 241-9880 FAX (407) 241-9887

Morristown, NJ
(201) 539-1390

Beverly Hills, CA
(310) 273-9525

VIA FAX AND FEDERAL EXPRESS

September 6, 1994

ATTACHMENT A
to
MLB FRANCHISE OWNERSHIP
RESOLUTION

Glenda E. Hood, Mayor
City of Orlando
One City Commons
400 South Orange Avenue
Orlando, Florida 32801-3302

and

Linda W. Chapin, Chairman
Orange County, Florida
201 S. Rosalind Avenue, 5th Floor
Orlando, Florida 32802

Dear Mayor Hood and Chairman Chapin:

The purpose of this letter is to confirm to you that my partners, Stephen Kurtz and Paul Jacobs, and I agree to work exclusively on behalf of the City and County to bring Major League Baseball to Orlando either through the expansion process or relocation of an existing team.

Similarly, it is our understanding that the City and County agree to:

- (i) amend its Major League Baseball expansion franchise application filed August 10, 1994 to designate me and my partners as Orlando's ownership group;
- (ii) work exclusively with us in all matters relating to Major League Baseball for the period ending two (2) years after completion of the current MLB expansion process; and
- (iii) to enter into a lease with our ownership group in accordance with the Memorandum of Understanding attached hereto, if we are successful in our efforts to attract a Major League Baseball team to Orlando.

Glenda E. Hood, Mayor
Linda W. Chapin, Chairman
September 6, 1994
Page two

We understand that the agreements contained herein are subject to the approval of the Orlando City Council and Orange County Commissioners and that you will recommend and use your best efforts to obtain such approval as soon as reasonably possible.

We look forward to working with you in this exciting mutual endeavor.

Very truly yours,


Norton Herrick

NH:vb

ACCEPTED AND AGREED TO THIS 6TH DAY OF SEPTEMBER, 1994.

CITY OF ORLANDO

By: _____ *

Glenda E. Hood, Mayor

and

ORANGE COUNTY

By 
Linda W. Chapin, Chairman

* NOTE - PLEASE REFER TO SIMILAR LETTER sent
SEPARATELY FOR MAYOR HOOD'S SIGNATURE


9/8/94

ATTACHMENT B
to
MLB FRANCHISE OWNERSHIP
RESOLUTION

ORLANDO/ORANGE COUNTY
BASEBALL STADIUM LEASE

SUMMARY OF EXPECTED TERMS

Parties:

The Local Governments and the Owner.

Term:

The term of the Lease will be thirty years (or such other period as will match the term of any bonds issued to finance the Ballpark) with the Owner having the option to renew for five five-year periods. The Owner will be granted an option to purchase the Ballpark, parking and related facilities at the end of the term. Neither the Owner nor any successor to the Owner may relocate the team during the term.

Revenue and Fees:

Rent.

Base rent paid to the Local Governments will be the nominal amount of \$100.00 per year.

Facility Fee.

Commencing with the third season, an amount will be paid each year equal to the sum of the following: (i) for each baseball ticket sold, the lesser of \$1.00 or 5% of the face value of the ticket, plus (ii) for each non-baseball ticket sold, \$1.00. (Note: See *Future Capital Improvements*, below, regarding disposition of this revenue.)

Broadcast Rights.

The Owners will keep all revenue from broadcast rights.

Private Suite Leases.

The Owners will retain the rent from the private suites, except for two suites provided to the Local Governments at no cost. The Owner will retain the catering revenue from the private suites.

Novelties/Merchandise.

The Owners will select the novelty provider and retain all novelty/merchandise revenue.

Concessions.

The Owners will select, oversee and manage the food and beverage concessionaire and will retain both the net concession revenue and all catering revenue.

Ballpark Management.

The Owners will be designated as the year-round operator of the Ballpark and its parking and other related facilities and will assume all responsibility for all facility operations, routine maintenance, and expenses and will select, oversee and manage any contractors hired to assist in operations.

Stadium Club.

The Owners will retain all revenue from Stadium Club memberships as well as all catering/concession revenue from the Stadium Club.

Non-Baseball Events.

The Owners will control and retain all the revenue from all non-baseball events.

Advertising.

The Owners will retain all advertising and naming rights and revenue, including scoreboard signage revenue. The Local Governments will retain the right to approve location and content of any advertising, but such approval shall not be unreasonably withheld.

Utilities.

The Owners will pay utilities for the Ballpark at the same preferred rates as would be enjoyed by a public sector operator.

Parking Revenue.

Parking revenue, including revenue from private suite parking, will be retained by the Owners.

Sale of Team.

If negotiated by the parties, the Local Governments may receive a portion of the capital gain realized by the Owners if and when the team is sold.

Other Payments and Benefits to Owner.

Option and right of first refusal to purchase or lease the land necessary to develop hotel and ancillary commercial and residential uses adjacent to the Ballpark in the Sports Development District.

Ticket-only access to ancillary entertainment uses on game day.

Special consideration for the use of other Local Government facilities.

Fenced, secure parking for players and staff under or immediately adjacent to the Ballpark.

Reserved parking adjacent to the Ballpark, to be marketed with Private Suites.

Lynx-coordinated shuttle bus service to Ballpark.

Adequate police and traffic control outside the Ballpark on event days.

Ballpark Development.

The Owners in full cooperation and collaboration with the Local Governments will have approval rights with respect to the design and construction of the ballpark, parking and related facilities.

Construction of Ballpark.

The Local Governments will design and construct at their sole costs and expense and subject to the financing structure described below, the Ballpark as a first-class, state of the art, open-air baseball park with natural grass and a 45,000 to 52,000 seat capacity, together with a minimum of 9,500 controlled parking spaces and related facilities, all in the Sports District.

The Ballpark will be financed through bonds issued by the Local Governments. A one cent resort tax increase will be levied by the County to support the bond issue. This increase will generate a revenue stream of over \$13 million per year. In addition, the Local Governments will receive \$2 million per year for up to 30 years from the State of Florida to pay debt service on the Ballpark financing.

Operations and Maintenance of Ballpark.

During the term of the Lease, the Ballpark and its parking and related facilities will be operated and maintained by the Owners, with respect to both baseball use and non-baseball use. The Owners and Local Governments agree to negotiate the terms under which non-baseball events will be held in the Ballpark in coordination with competing venues at the Citrus Bowl and the Orlando Arena.

Use of Ballpark.

The Ballpark will be built specifically for use as a Major League Baseball ballpark and will be controlled and operated year-round by the Owners. When not in use for baseball or other events, the Ballpark will be made available to the Local Governments for other governmental or civic or community uses, subject to terms to be negotiated by the Owner and the Local Governments.

Future Capital Improvements.

The Local Governments shall create and retain a "Renewal and Replacement Reserve Account," the funds within which shall be used from time to time only for extraordinary maintenance and to renew, replace, renovate, and make capital improvements to the Ballpark and its related facilities, in order to endeavor to assure that the Ballpark remains a first-class, state of the art facility. Through the first five seasons, the portion of the Facility Fee described above that is attributable to sales of baseball tickets shall be deposited in the account. In the sixth season and thereafter, 50% of that portion of the Facility Fee shall be deposited in the account, and the remaining 50% shall be used by the Local Governments as they see fit.

Responsibilities of Owner.

Maintain and operate the Ballpark and all parking and other related facilities.

Guarantee the payment of all principal and interest on Ballpark parking revenue bonds, the annual amount of which is currently estimated at \$3.5 million.

Maintain liability and personal property insurance.

Provide security for the Ballpark.

Pay applicable utilities.

Responsibilities of Local Governments.

Purchase all necessary land.

Design and construct at their sole cost and expense the Ballpark and ancillary facilities, such as structured and surface parking.

Maintain the Renewal and Replacement Reserve Account and deposit revenues therein as provided above.

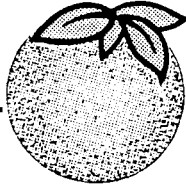
Taxes.

The parties will structure the Lease so that there will be no real estate taxes or so as to take advantage of a full real estate tax exemption.

Excess "5th Cent" Revenues.

The excess of "5th cent" revenues, after payment of debt service for bonds previously issued for the Orlando Arena and the Citrus Bowl, shall be used to pay the principal and interest on bonds issued for parking facilities at the Ballpark and for other capital improvements at the Ballpark.

Orange



County

County Attorney's Office
Thomas J. Wilkes, County Attorney
201 South Rosalind Avenue - 5th Floor
Reply To: Post Office Box 1393
Orlando, Florida 32802-1393
Telephone (407) 836-7320
FAX (407) 836-5888

MEMORANDUM

TO: Allona Stapleton, Deputy Clerk
Comptroller Clerk's Office

FROM: Jeffrey Newton *JM*
Assistant County Attorney

DATE: March 7, 1995

RE: Request for Resolution Amending Resolution No. 94-M-50,
Baseball Ownership Preliminary Approval

Enclosed please find a copy of the "Revised Summary of Expected Terms" that supercedes Attachment "B" which was part of Resolution No. 94-M-50.

I believe the above is the document referred to in your memorandum of March 2, 1995. The Revised Summary of Expected Terms was forwarded to Orlando Baseball Partnership, Ltd., on December 16, 1995.

As always, if you have any further questions or need additional information, please do not hesitate to contact us.

JJN/vlpl678

Enclosure

cc: Tom Starks, Clerk's Office
✓ Carl Stewart, Clerk's Office
Warren Wagner, Assistant County Administrator
Tom Wilkes, County Attorney

APPROVED BY THE BOARD OF COUNTY
COMMISSIONERS AT ITS MEETING

DEC 13 1994

[Handwritten signature]

12/15/94

ORLANDO/ORANGE COUNTY
BASEBALL STADIUM LEASE

REVISED
SUMMARY OF EXPECTED TERMS

Parties:

The Local Governments and the Owner.

Term:

The term of the Lease will be thirty years (or such other period as will match the term of any bonds issued to finance the Ballpark) with the Owner having the option to renew for three five-year periods. The Owner will be granted an option to purchase the Ballpark, parking and related facilities at the end of the term. Neither the Owner nor any successor to the Owner may relocate the team during the term.

Revenue and Fees:

Rent.

Base rent paid to the Local Governments will be the nominal amount of \$100.00 per year.

Facility Fee.

Commencing with the first season, an amount will be paid each year equal to the sum of the following: (i) for each baseball ticket sold, the lesser of \$1.00 or 5% of the face value of the ticket, plus (ii) for each non-baseball ticket sold, \$1.00. (Note: See "Future Capital Improvements," below, regarding disposition of this revenue).

Broadcast Rights.

The Owners will keep all revenue from broadcast rights.

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The Owners will retain all advertising and naming rights and revenue, including scoreboard signage revenue. The Local Governments will retain the right to approve location and content of any advertising, but such approval shall not be unreasonably withheld.

Utilities.

The Owners will pay utilities for the Ballpark at the same preferred rates as would be enjoyed by a public sector operator.

Parking Revenue.

Parking revenue, including revenue from private suite parking, will be retained by the Owners.

Sale of Team.

If negotiated by the parties, the Local Governments may receive a portion of the capital gain realized by the Owners if and when the term is sold.

Other Payments and Benefits to Owner.

Option and right of first refusal to purchase or lease the land necessary to develop hotel and ancillary commercial and residential uses adjacent to the Ballpark in the Sports Development District.

Ticket-only access to ancillary entertainment uses on game day.

Special consideration for the use of other Local Government facilities.

Fenced, secure parking for players and staff under or immediately adjacent to the Ballpark.

Reserved parking adjacent to the Ballpark, to be marketed with Private Suites.

Lynx-coordinated shuttle bus service to Ballpark.

Adequate police and traffic control outside the Ballpark on event days.

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Construction of Ballpark.

The Local Governments will design and construct at their sole cost and expense and subject to the financing structure described below, the Ballpark as a first-class, state-of-the-art, open-air baseball park with natural grass and a 45,000 to 52,000 seat capacity, together with 9,500 controlled parking spaces and related facilities, all in the Sports District.

The Ballpark and its parking and related facilities will be financed only through bonds issued by the

Local Governments and secured by and payable from (i) the revenues derived from a one-cent tourist development tax increase, and (ii) a rebate of sales tax revenues expected to be received by the Local Governments from the State of Florida in an amount equal to \$2 million per year for up to 30 years. However, notwithstanding the foregoing limitations, the Owners shall pay a portion of the cost of the Ballpark and its parking and related facilities in an amount equal to \$1 million per year for ten years.

If the Owners are selected by Major League Baseball to receive a franchise and the Local Governments are unable to finance the development and construction of the Ballpark as described in this section or as otherwise acceptable to Major League Baseball and the Owners, or are unable or unwilling to renovate the Florida Citrus Bowl for baseball, if required as an interim facility, the Owners shall have no obligation to acquire the franchise from Major League Baseball or to enter into a lease for the Ballpark.

Operations and Maintenance of Ballpark.

During the term of the Lease, the Ballpark and its parking and related facilities will be operated and maintained by the Owners, with respect to both baseball use and non-baseball use. The Owners and Local Governments agree to negotiate the terms under which non-baseball events will be held in the Ballpark in coordination with competing venues at the Citrus Bowl and the Orlando Arena.

Use of Ballpark.

The Ballpark will be built specifically for use as a Major League Baseball ballpark and will be controlled and operated year-round by the Owners. When not in use for baseball or other events, the Ballpark will be made available to the Local Governments for other governmental or civic or community uses, subject to terms to be negotiated by the Owner and the Local Governments.

Future Capital Improvements.

The Local Governments shall create and retain a "Renewal and Replacement Reserve Account," the funds within which shall be used from time to time only for extraordinary maintenance and to renew, replace,

renovate, and make capital improvements to the Ballpark and its related facilities, in order to endeavor to assure that the Ballpark remains a first-class, state-of-the-art facility. Through the first five seasons, the portion of the Facility Fee described above that is attributable to sales of baseball tickets shall be deposited in the account. In the sixth season and thereafter 50% of that portion of the Facility Fee shall be deposited in the account, and the remaining 50% shall be used by the Local Governments as they see fit.

In addition, if and to the extent each year that there remain any revenues derived from the one-cent increase in the tourist development tax (described above) after payment of the debt service for the bonds issued for the Ballpark and its parking and related facilities and the debt service for bonds previously issued for the Orlando Arena and the Florida Citrus Bowl (the "Surplus Revenues"), such Surplus Revenues shall be deposited in the Renewal and Replacement Reserve Account as follows: For the first ten seasons, the amount of Surplus Revenues deposited in the account each season shall be equal to the amount of the Facility Fee paid for the season; thereafter, the amount deposited shall be equal to 50% of the Facility Fee paid for the season. If such Surplus Revenues in any year are not sufficient to match the amount of the Facility Fee that is deposited in the account for that year, the amount of such deficit shall accrue and shall be remedied by a later deposit into the Renewal and Replacement Reserve account if and when such Surplus Revenues are available in a subsequent year.

Responsibilities of Owner.

Maintain and operate the Ballpark and all parking and other related facilities.

Maintain liability and personal property insurance.

Provide security for the Ballpark.

Pay applicable utilities.

Responsibilities of Local Governments.

Purchase all necessary land.

Design and construct at their sole cost and expense the Ballpark and ancillary facilities, such as structured and surface parking.

Maintain the Renewal and Replacement Reserve Account and deposit revenues therein as provided above.

Taxes.

The parties will structure the Lease so that there will be no real estate taxes or so as to take advantage of a full real estate tax exemption.