



MIAMI MARLINS PARK STADIUM

Facility Finance Project



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Facility Finance Project

Miami Marlins Park Stadium

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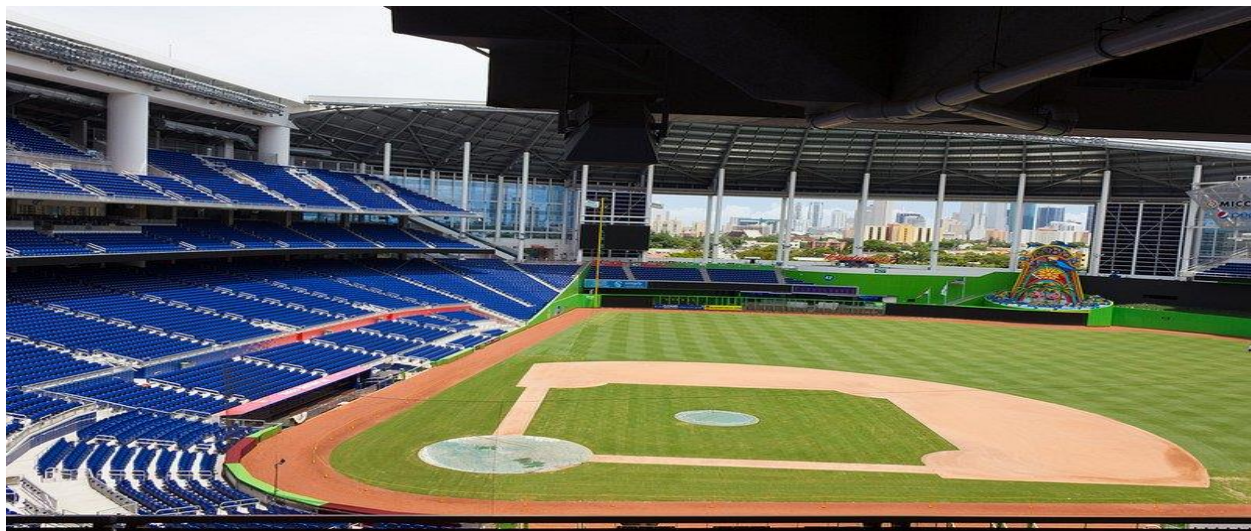
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MARLINS BALLPARK INTRODUCTION

Miami has had a Major League Baseball team since 1993, but it can be argued Miami wasn't a Major League Baseball city until 2012, when Marlins Park opened in the Little Havana neighborhood. The two-time World Series Champion Marlins (1997, 2003) played their first 19 seasons in Sun Life Stadium, which was designed for football (Miami Dolphins), but they now have a state-of-the-art ballpark to call their own: Marlins Park. Along with the brand new stadium, the Marlins also changed their name, uniforms and colors. The Florida Marlins became the Miami Marlins and the logo and colors were changed to reflect their new beginning.

In April 2012, the Marlins moved into a new ballpark in baseball. Numerous ballpark sites and financial proposals were discussed but none became reality. In February 2008 the Marlins reached an agreement to build a new ballpark after City and County Commissioners approved funding for a new stadium. Originally scheduled to open in 2011, construction was delayed by a lawsuit challenging the public funding of the project. Marlins Park has a number of unique features around the ballpark. Not only does the ballpark feature a retractable roof, but retractable outfield glass panels. Located behind left field, these panels, six combined at 240 feet long and 60 feet high, open or close in eight minutes and provide a panoramic view of the downtown Miami skyline. Behind the outfield fence in left-centerfield is one of the most unique homerun features in baseball. The colorful, \$2.5 million, 75 feet tall structure features moving waves along the bottom and spins marlins, seagulls and flamingos anytime a Marlins player hits a homerun. Marlins Park will be the second ballpark in baseball to feature a pool.

The Marlins teamed up with a South Beach icon, the Clevelander, to bring a party located on the field level. Marlins bullpen, this private seating area will seat 240 fans, providing classic Clevelander food and entertainment next to the pool. One of the most unique features in any ballpark is located directly behind home plate. On both sides of the backstop are twin 450 gallon saltwater aquariums containing up to 50 fish. Bulletproof glass prevents the aquariums from shattering in the event a foul ball strikes one of them. The main HD video/scoreboard is 101 feet wide by 51 feet high above the right-centerfield stands. Another 100 feet wide display within the left field wall will display scores and stats from games throughout MLB. The ballpark will have many amenities including a Taste of Miami food court including three restaurants, Latin American Grill, Pap Llega Y Pon and Don Camaron.

Sources

<http://www.ballparksofbaseball.com/nl/MarlinsPark.htm>

<http://www.miamiandbeaches.com/places-to-see/little-havana/marlins-park>

<http://construction.about.com/od/Future-Projects/a/Miami-Marlins-Ballpark-Miami-Marlins-Construction-Facts.htm>

COST

Marlin Park was built at a cost of \$515 million, Miami-Dade County contributed to the majority of the construction costs while the City of Miami contributed \$13 million and the Marlins \$155 million. Located in Little Havana neighborhood of Miami on the site of the former Orange Bowl (Miami Hurricanes/NCAA), construction began in July 2009. The construction team was led by Populous, the architect; Hunt/Moss, a joint venture, the general contractor; Walter P Moore, the structural engineer for the roof; and Bliss & Nyitray, the structural engineer for the stadium bowl for the new facility.

Marlins Park Quick Fact

- Tenants: Miami Marlins
- Capacity: 37,442
- Surface: Grass
- Architect: Populus
- Cost: \$515 Million
- Opening: April 4, 2012
- Owner of Marlins Park: Miami-Dade County
- Owner of the Land: Miami-Dade County
- Former Name(s): None -Naming Rights: None
- Public Financing: \$347 Million from Miami-Dade County
- City of Miami Financing: \$13 Million from City of Miami
- Private Financing: \$155 Million from Marlins



Sources

<http://bleacherreport.com/articles/1504922-marlins-park-a-perfect-example-of-how-not-to-build-a-publicly-funded-stadium>

<http://www.ballparks.com/baseball/national/miabpk.htm>

<http://www.baseballpilgrimages.com/national/miami.html>

REVENUE PROJECTION

The Major League Baseball Players Association complained for years that the Marlins violated the league's revenue-sharing plan by using the money received under the plan for everything but improving the product on the field, as is required. Between 2002 and 2010, the Marlins reportedly received close to \$300 million in revenue sharing. With the threat of a formal grievance, the Players Association forced an agreement from the Marlins to use all revenue-sharing proceeds on player development and salaries for three seasons. The agreement was announced in January 2010 and now three seasons later it has expired.

Even with their taxpayer-funded ballpark, the Marlins will almost certainly be on the receiving end of revenue sharing for the foreseeable future. The club doesn't have the fan base, television contracts or corporate sponsor's bigger-market teams enjoy. And after the sell-off to Toronto Blue Jays, the fan base is likely to shrink even more.

The Marlins' financial dealings is on the hot seat again it's as good a time as any to dive into complex details of MLB's revenue-sharing plan. Clubs start with gross revenue, which is all revenue generated by the team's baseball operations (ticket sales, concessions, local television contracts, etc.), plus a 1/30th share of MLB-generated central revenue (national television contracts, MLB.tv, licensing and merchandise, the All-Star Game, etc.). Clubs then subtract ballpark expenses and the 1/30th share of central revenue. What's left is "Net Local Revenue." In an unusual twist, the CBA set the Marlins' Net Local Revenue at \$100 million for the 2012 revenue-sharing year. No other team was singled out in that fashion.

Miami-Dade County and the City of Miami will have unlimited use of the stadium during non-baseball months for amateur, public service, other non-profit events, and four events each (City and County) during regular baseball season. County and City can use a single "community suite" for public or charity use. Each party can use the suite for 40 games. Food and beverages will be provided by the Team when the suite is used by youth charities. Team will retain signage revenue, all stadium generated revenues, and naming rights.

Marlins will pay annual rent to Miami-Dade County in the amount of \$2,300,000.

- 2% increase per year for 35 years
- Payments made in semi-annual installments

Sources

<http://www.fangraphs.com/blogs/marlins-mlb-revenue-sharing-syste/>

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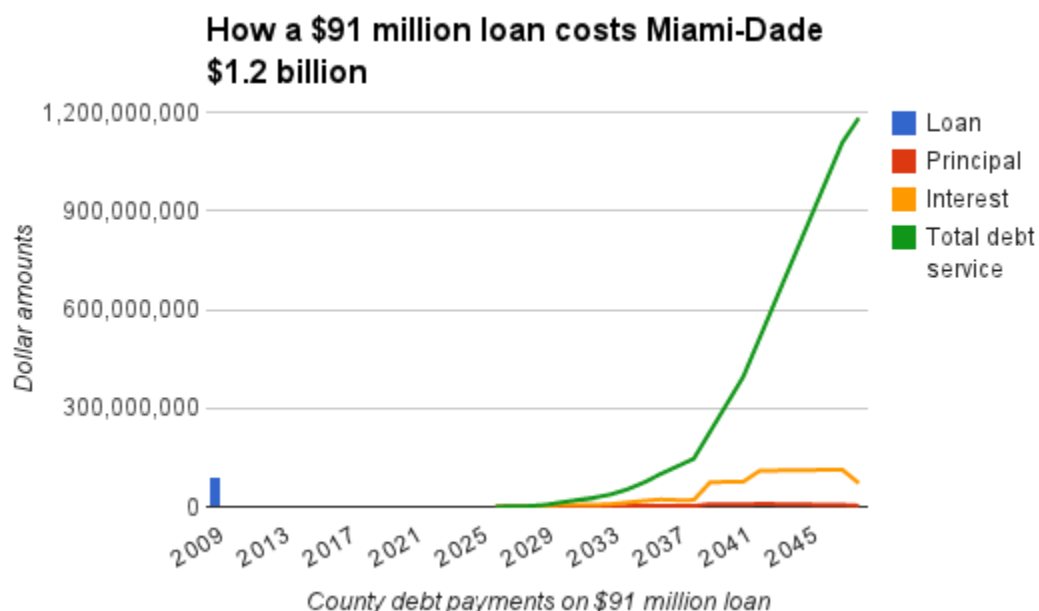
<http://www.forbes.com/teams/miami-marlins/>

CONSTRUCTION REPAYMENT SCHEDULE

The county chipped in \$500 million for the construction of Marlins Park. The county did not have \$500 million, but construction needed to start and be paid for immediately. So Miami-Dade borrowed the money by selling bonds on Wall Street, a loan which won't come due for decades. When it does, it's going to hurt.

The *Miami Herald* does the math on just one set of those bonds, which raised \$91 million. Payments begin in 2026, and quickly skyrocket. By 2048, when the last payment is due, the total reaches \$1.18 billion.

Here's your handy chart, via the *Miami Herald*:



The \$1.2 billion in 2048 will be worth a lot less than it is today, thanks to inflation. Miami-Dade County really had no choice but to agree to these awful loan terms. The bonds were sold in 2009, when the credit market was at its nadir. Even more infuriatingly, the money had to be borrowed then local politicians had already voted to fund Marlins Park, construction had begun, and the money needed to be raised immediately.

The county commissioners voted on selling the bonds in a hastily called meeting shortly after midnight on July 1, 2009. Just days before the secretive vote, County Manager George Burgess told commissioners he didn't know what the final costs would be. The measure passed anyway. Remember, this \$1.2 billion is only on one set of bonds. The total payments for all of the \$500 million borrowed by the county will eventually come in at a whopping \$2.4 billion.

Sources

<http://www.miamiherald.com/news/business/economic-time-machine/article1946635.html>

<http://deadspin.com/5978964/the-real-cost-to-miami-for-marlins-park-is-in-the-billions>

MIAMI-DADE COUNTY DEBT REPAYMENT SCHEDULE

The bond repayment starts in 2026 and end in 2048 for Marlins Ballpark construction.

YEAR	PRINCIPLE	INTEREST	TOTAL PAYMENT	PRINCIPLE REMAINING
2026	30,173,913	22,000,000	52,173,913	1,200,000.000
2027	31,173,913	21,000,000	52,173,913	1,169,826,087
2028	32,173,913	20,000,000	52,173,913	1,138,652,174
2029	33,173,913	19,000,000	52,173,913	1,106,478,261
2030	34,173,913	18,000,000	52,173,913	1,073,304,348
2031	35,173,913	17,000,000	52,173,913	1,039,130,435
2032	36,173,913	16,000,000	52,173,913	1,003,956,522
2033	37,173,913	15,000,000	52,173,913	967,782,609
2034	38,173,913	14,000,000	52,173,913	930,608,696
2035	39,173,913	13,000,000	52,173,913	892,434,783
2036	40,173,913	12,000,000	52,173,913	853,260,870
2037	41,173,913	11,000,000	52,173,913	813,086,957
2038	42,173,913	10,000,000	52,173,913	771,913,044
2039	43,173,913	9,000,000	52,173,913	729,739,131
2040	44,173,913	8,000,000	52,173,913	686,565,218
2041	45,173,913	7,000,000	52,173,913	642,391,305
2042	46,173,913	6,000,000	52,173,913	597,217,392
2043	47,173,913	5,000,000	52,173,913	551,043,479
2044	48,173,913	4,000,000	52,173,913	503,869,566
2045	49,173,913	3,000,000	52,173,913	455,695,653
2046	50,173,913	2,000,000	52,173,913	406,521,740
2047	51,173,913	1,000,000	52,173,913	356,347,827
2048	305,173,914	0.1	305,173,914	0

In 2048, Miami-Dade County will have to pay an additional 1.2 billion dollars bond for the construction of Marlins Ballpark. The total payments for all of the \$500 million borrowed by the county will eventually come in at a whopping \$2.4 billion. Not only did Miami Marlins owner Jeffrey Loria get taxpayers to buy him a new stadium, but they bought him the most expensive stadium ever built.

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<http://www.forbes.com/sites/mikeozanian/2013/01/27/miami-marlins-have-become-baseballs-most-expensive-stadium-disaster/>

<http://www.politifact.com/florida/statements/2013/mar/05/jeffrey-loria/marlins-owner-jeff-loria-says-tourists-not-taxpaye/>

<http://www.miaminewtimes.com/news/miami-marlins-keep-lying-about-stadium-6389367>

<http://www.ballparksofbaseball.com/currentcost.htm>

CONSTRUCTION BUDGET

Construction: Miami-Dade County City of Miami Stadium Developers, LLC

Operation: Miami-Dade County Marlins Stadium Operators, LLC

Non-Relocation: Miami-Dade County City of Miami Florida Marlins, LP

Total Cost: \$515 million, Marlins/Private: \$155 million, City of Miami: \$13 million, County Share: \$347 million, comprising the following sources:

- Professional Sports Franchise Facility Tax: \$149 million
- Tourism Development Tax: \$88 million
- Convention Development Tax \$88 million
- General Obligation Bond \$50 million
- County's Portion of Public Infrastructure: \$12 million
- County's Portion of LEED Certification: \$1.75 million
- County's 35 year's total of Capital Reserve Fund: \$26.25 million

Miami-Dade County and the City of Miami will split the infrastructure costs equally. The estimated Cost is \$24 million. Construction overruns will be paid by the Marlins except for governmentally caused overruns.

Team maintenance and repairs will be the responsibility of the Marlins. Marlins will be responsible for all insurance coverage including commercial general liability, property, workers compensation, umbrella, and automobile coverage. The Miami-Dade County agrees not to impose any targeted tax on admission tickets.

Capital Reserve Fund City, County and Team will contribute annually to a Capital Reserve Fund for repair and replacement of major capital equipment of the Stadium premises.

- Team: \$750,000/yearly
- County: \$750,000/yearly
- City: \$250,000/yearly

If the amount in the Capital Reserve Fund is not enough to cover the cost of repairs, the Team will fund the deficient amount for the first 10 years. For years 11-35, the County, City, and Team will together determine the funding responsibilities should the Capital Reserve Fund not be able to cover the cost of repairs.

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