

MEMORANDUM
City of St. Petersburg

TO: Hon. Leslie Curran, Chair, and Members of City Council

FROM: Rick Mussett, Senior Administrator, City Development 
John Wolfe, City Attorney 

DATE: January 26, 2010

SUBJECT: Report Issued by ABC on January 25, 2010 ("Report")

The attached Report was released yesterday by the ABC Coalition, which was created in 2008 to study the Rays' stadium situation. When Mayor Baker asked Jeff Lyash to lead the ABC effort, it was the Mayor's understanding that the focus would be solely on St. Petersburg. However, Mr. Lyash's expressed intent, which the Coalition ultimately endorsed, was to have a region-wide focus. Once it became evident that this dichotomy existed, the City of St. Petersburg sent letters to ABC expressing the City's concerns about considering areas outside the City due to the City's Agreement with the Rays for the use of Tropicana Field ("Agreement") (see attached letters). The ABC Coalition is not a City committee and therefore it was free to ignore the concerns expressed by the City. Because ABC took a regional approach in considering stadium locations outside the City of St. Petersburg, the City distanced itself from the ABC process. We appreciate ABC's efforts; however, any relationship the City may have had with ABC has been effectively severed.

ABC has expressed an interest in formally presenting their report to City Council. However, because of the Agreement, the officials and employees of the City should use great caution when mention is made of the Report. Please remember that the City has a great deal of time and money invested in the current arrangement with the Rays and that the integrity of the Agreement is the key to protecting that investment. It is therefore recommended by the Legal Department that the Report not be presented to the City by ABC at a City Council meeting.

The City now has a new Mayor and he has indicated a willingness to discuss any ideas the Rays may have concerning their future in St. Petersburg. It is important that any such discussions be within the framework of the current Agreement and the proper ground rules be established ahead of time to protect the integrity of the Agreement. Any discussions regarding a new facility should be between the Rays and the City. No third party should be interfering with the Agreement between the parties and the City should not condone or permit, directly or indirectly, any such third party interference.

Attachments:

- January 12, 2009 Letter from John Wolfe to Charles Harris (Counsel for ABC)
- June 8, 2009 Letter from Mayor Rick Baker to Jeff Lyash (ABC Chair)
- November 18, 2009 Letter from Rick Mussett to Jeff Lyash
- January 25, 2010 ABC Report

cc: Mayor Foster
Tish Elston



Office of the City Attorney

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St. Petersburg, FL 33701
P.O. Box 2842
St. Petersburg, FL 33731-2842
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January 12, 2009

Charles Harris
Trenam Kemker
PO Box 3542
St. Petersburg, FL 33731-3542

Dear Mr. Harris:

At the last meeting of A Baseball Community Inc. (ABC), I understand that certain questions arose regarding the Agreement between the Rays and the City. I have prepared this letter to answer those questions, and would like to review a few items with you concerning the City's relationship with the Rays Major League Baseball Team.

As the attorney for ABC I know you are aware of and have reviewed the contractual agreement the City has with the Rays. I want to reemphasize that this Agreement has often been mischaracterized as simply a lease. Among other things, the AGREEMENT FOR THE USE, MANAGEMENT AND OPERATION OF THE DOMED STADIUM IN ST. PETERSBURG INCLUDING THE PROVISION OF MAJOR LEAGUE BASEBALL, as amended, (Agreement) is a commitment by the owners of the Rays to supply a Major League Baseball (MLB) Team to the City of St Petersburg to play in the DOME for a term of 30 years. Section 2.04 of the Agreement States:

Section 2.04. Provision of Major League Baseball. In consideration for the CLUB's rights under this Agreement, during the Term the CLUB (unless unable to do so pursuant to any of the events described in Article XVI hereof or unless prevented from doing so by a league wide policy ordering all clubs to play a portion of their Home Games at a site other than their home stadium) shall:

- (a) Cause the Franchise to play all of its Home Games in the DOME;
- (b) Cause the Franchise to stage one charitable event per year in the DOME, the proceeds of which shall be donated to a charity mutually agreed upon by the CITY and the CLUB;
- (c) Not play any of the Franchise's Home Games in any facility other than the DOME without the CITY's consent, which may be withheld in the CITY's sole discretion;

- (d) Not permit relocation of the Franchise from the DOME; and
- (e) Comply with all laws, regulations, ordinances and rules applicable to the CLUB, the Franchise and the DOME.

Additionally, the Rays and the City have agreed, in Recital F of the Agreement, that:

- F. The **CLUB** and the **CITY** have been mutually dedicated in obtaining the Franchise for the DOME in the Tampa Bay Area and both parties recognize that the benefits generated by an MLB Franchise for the local community are unique and diverse, affecting more than just economic interests. Such benefits include but are not limited to the creation of new jobs, local employment opportunities, increased business prospects, direct and indirect tax revenues, enhancement of the community's image and promotional opportunities, and an improvement in life and local pride of the citizenry.

The unique nature of damages and thus remedies if there was a default under the Agreement, were considered in Section 8.03 of the Agreement:

Section 8.03. Remedies. The CLUB and CITY agree that neither has an adequate remedy at law for breach of this Agreement. The CLUB and CITY agree that, in the event of a violation of this Agreement, the party not in default shall be entitled as a non-exclusive remedy, and in addition to an action for damages, to seek and obtain an injunction or decree of specific performance or an equitable remedy from a court of competent jurisdiction to enjoin or remedy any violation of the Agreement. In the event a court refuses to grant specific enforcement of Section 2.04, the parties agree that one element of the damages to be considered by the court as having been incurred by the **CITY** for a breach of Section 2.04 would be the outstanding bond debt at the time of the breach on those bonds backed by the Franchise Funds.

To further protect the City and the Rays, Section 11.01 of the Agreement provides for exclusive dealings:

Section 11.01. Exclusive Dealings. While this Agreement is in effect, neither the **CITY**, nor any of its agents or employees will enter into, initiate or conduct any agreement or negotiations (directly or indirectly), with any person or entity (other than the **CLUB**) concerning the management of the DOME by any third party or the use of the DOME by any other MLB franchise. Likewise, during such period, neither the **CLUB** nor any of its respective parties, principals, directors, officers, employees, owners, or agents will enter into, initiate or conduct any agreement or negotiations (directly or indirectly) for the use of any facility other than the DOME for the Home Games of the Franchise to be played during Term except to

the extent permitted by Sections 2.04 and 16.03. The parties recognize that any violation of this provision will result in irreparable harm and damages that are not readily calculable. Accordingly, as a non-exclusive remedy, in addition to any damages that may be deemed to be appropriate, the **CITY** and the **CLUB** acknowledge that each party shall be entitled to injunctive relief in the event of a violation of this Section by any other party.

Section 16.03 which is mentioned in the foregoing Section 11.01 of the Agreement mainly deals with partial or complete destruction of the DOME and a necessary temporary relocation of the home games during reconstruction. The term of the Agreement ends at the conclusion of the 2027 MLB season, but Section 16.03 extends the term for the number of years equal to the period of time during which there is such a necessary temporary relocation (Term).

As you know, the Mayor requested that Jeff Lyash lead a community effort with a mission to develop a program to insure the long term success of the Rays in St Petersburg including fan support, corporate support and facility evaluation. Neither the City nor the Rays gave any person or party a waiver for any person or party to interfere with or to cause a violation of the provisions of the Agreement.

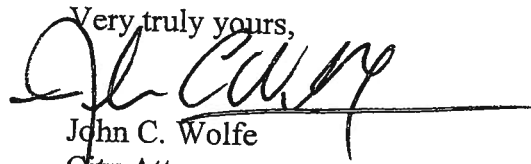
We understand that ABC, which was incorporated by Mr. Lyash, is working diligently to try to develop a program to insure the long term success of the Rays in St Petersburg. The Mayor has indicated that as part of the facility evaluation process, he would consider as options, along with the current site, potential future sites for a stadium within St. Petersburg. As you can see from the above referenced Agreement language, any new venue within St. Petersburg must be agreeable to both the Rays and the City (including City Council) because it would require an amendment to the Agreement. Needless to say, the City would not even consider an amendment to the Agreement for a venue outside of the City. Both the Rays and the City have agreed to send representatives to attend ABC's meetings to supply ABC with factual information that may be needed to carry out its mission, but that should not be construed as a negotiation with the City or the Rays nor can it ever evolve into a negotiation since that would constitute a violation of Section 11.01 of the Agreement.

I have been advised that some members of ABC have requested a review of the ramifications that might occur if there was an attempt to breach or terminate the Agreement. As you can see from the above referenced Agreement language, the City has an Agreement with the Rays to play their home games in St Petersburg through the 2027 MLB season, and therefore, any additional review such as described in the preceding sentence is both unnecessary and inappropriate.

In view of the Agreement provisions cited in this letter, some of the members of ABC may be puzzled by the discussions between the Rays and the City that took place in 2007 and 2008 concerning the potential relocation of the Rays' home field to the Al Lang site. I would refer you to the letter which is attached hereto wherein the Rays specifically stated that no matter what the outcome of those discussions the Agreement would remain in full force and effect. Additionally, these were discussions between the City and the Rays and did not involve a third party exploring the termination or breaching of the Agreement.

Charles Harris
January 12, 2009
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I hope the above information is responsive to any questions you might have concerning the Agreement between the City and the Rays. Please advise the members of ABC that the City appreciates their commitment to working with the City and the Rays to help insure the team's long term success in our community.

Very truly yours,

John C. Wolfe
City Attorney

c: Mayor Rick Baker
City Council Members
John P. Higgins, Senior Vice President of Administration/General Counsel
Rick Mussett, Administrator, City Development
Jeff Lyash, President and CEO, Progress Energy Florida

Attachment

May. 3. 2007 3:16PM

No. 2964 P. 1/1



May 3, 2007

Mr. Rick Mussett
Economic Development Department
City of St. Petersburg
P.O. Box 2842
St. Petersburg, FL 33701

Dear Rick:

This letter is written with respect to the ongoing discussions between representatives of the City of St. Petersburg (the "City") and representatives of Tampa Bay Devil Rays, Ltd. ("Rays") concerning the plans, intentions or interests of the Rays to locate, relocate or expand its business activities in the State of Florida. This letter will confirm that, absent a written amendment to that certain Agreement for the Use, Management and Operation of the Domed Stadium in St. Petersburg Including the Provision of Major League Baseball between the City and the Rays dated April 28, 1995, as heretofore amended from time to time (the "Stadium Use Agreement"), said amendment having been duly executed by the City and the Rays, the Rays' agree that the Stadium Use Agreement will remain in full force and effect regardless of the outcome of the aforementioned ongoing discussions or future actions related thereto.

If you have any questions concerning the foregoing, please feel free to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "John P. Higgins".

John P. Higgins
Senior Vice President of Administration/General Counsel





city of st. petersburg

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June 8, 2009

Jeff Lyash, President & CEO
Progress Energy Florida
299 1st Avenue N., 16th Fl
St. Petersburg, FL 33701

Dear Jeff,

Thank you for agreeing to accept my request that you lead the effort to work toward making sure that baseball succeeds in St. Petersburg. Progress Energy and you have demonstrated your commitment to our city in many ways -- and I am grateful for that support. Led by the Chamber's Baseball Committee and others, our city spent many millions of dollars and worked for decades to construct Tropicana field and attract a Major League franchise -- so the continued success of the team in our city is important to St. Petersburg.

With the recent success of the Rays on the field, and the indication by the Ray's ownership group that they want to review their long-range facility needs, it is appropriate for the community to be involved in the process. You have formed the ABC Group -- and I am thankful for those who are contributing their time and efforts. I am also pleased that the Chamber has re-established the Chamber Baseball Committee to continue their historical role of supporting the baseball effort in St. Petersburg. The more individuals and groups committed to the success of baseball in our city -- the better.

I understand that the ABC Group is addressing three areas of supporting the Rays: (1) building corporate support for ticket sales, suites and advertising; (2) building fan support; and, (3) reviewing the long-term facility issues. Each of these missions is important to the city. With respect to the facility discussion, I also understand that you are considering the adequacy of the existing facility; the possible retrofitting of the existing facility in order to extend its life beyond the current Use Agreement term; and, the possibility of a new facility.

I have been advised that a subcommittee of ABC is studying "trade areas" in Hillsborough County and Pinellas County as part of the group's effort to study the Rays' long-term facility needs. In John Wolfe's letter of January 12, 2009, he advised that "...any new venue within St. Petersburg must be agreeable to both the Rays and the City (including City Council) because it would require an amendment to the Agreement." Our legal counsel's underlying concern is that discussions of alternative locations or trade areas by parties other than the Rays and the City could evolve into "negotiations" for alternate sites, and that such negotiations are prohibited by the Rays/City Use Agreement which requires that the Rays play in Tropicana Field through the 2027 season.

In June of 2008 I indicated that my personal preference for a potential new facility at some time in the future would be for a downtown location -- most likely the current stadium site -- I also indicated that I would be willing to review an alternative location in St. Petersburg such as the City's Gateway area. As referenced in John Wolfe's January 12, 2009 letter to ABC, consideration of such alternatives must be framed within the context of the Use Agreement the City and the Rays have entered into; and, he noted that "...the City would not even consider an amendment to the Agreement for a venue outside of the City." I do not support or authorize the consideration of any potential future stadium sites, or market trade areas, other than the site of Tropicana Field unless the City and Rays mutually agree to amend the current Use Agreement to allow for such discussion, and then only for sites and market trade areas in St. Petersburg. Such modification will require prior City Council approval, which I will seek if the Rays request same. Any consideration of sites or market trade areas outside of St. Petersburg at any time would be inconsistent with the objective which I initially set forth to help baseball succeed in St. Petersburg and should not be entertained.

Thank you for your continued efforts to assist the Rays and the City.

Very truly yours,


Rick Baker, Mayor

cc: Tampa Bay Rays
City Council
Steve Rayment, Chair, St. Petersburg Chamber



city of st. petersburg

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November 18, 2009

Jeff Lyash, Chair
The ABC Coalition
Progress Energy Florida
299 First Avenue North
St. Petersburg, FL 33701

Dear Jeff:

I would like to take this opportunity to thank the ABC Coalition for all the effort that has been expended on helping this community achieve its goal of providing the Tampa Bay Rays ("Rays" or "Franchise") a sustainable future in St. Petersburg. I appreciate the work performed by each of the Community Input Groups (CIGs). I do, however, need to express my concerns on the topic of potential relocation of the Franchise from Tropicana Field ("Dome" or "Stadium") which one of the CIGs is evaluating, especially in the context of historical events and the existing Use Agreement between the City and the Rays. The City is also providing the attached additional comments on ABC's October 21, 2009 draft summary report and other general input, including comments and questions pertaining to ABC's trade area analysis. We respectfully request that ABC consider the City's input provided herein before producing the next draft of your report.

While Tropicana Field was originally built as a multi-purpose facility, its design always anticipated that Major League Baseball ("MLB") would be the primary user of the stadium. In fact, the original architects, HOK Sport and the original construction firm, Huber Hunt & Nichols were considered the pre-eminent baseball design and construction entities in the nation. So while the facility originally opened in 1990 without baseball, its design and construction always anticipated that baseball would be the primary use of the facility.

All of you are aware of the tremendous effort that this community expended in its drive to land an MLB franchise for this area. Several unsuccessful attempts were made to secure a franchise for St. Petersburg and the Bay Area. Among these were efforts related to the Chicago White Sox, the Seattle Mariners, and the San Francisco Giants. While none of these teams ultimately relocated, there were no issues raised related to the suitability of Tropicana Field as a potential home for MLB.

In 1995, the City was finally successful in landing an expansion franchise to play in the Dome, which became the Tampa Bay Devil Rays. The City and the Rays realized that while the original design and construction of the Stadium were done with baseball in mind some additional improvements were needed to make the Stadium baseball ready. These baseball-related improvements were intentionally delayed to ensure that the baseball ownership group and MLB could provide input before they were implemented.

Once the franchise was awarded, the City secured additional funding for the baseball buildout and the ownership group approved the design plans for the baseball-related improvements. As the Rays and the City worked on developing the scope of these improvements we also were developing the agreement for use and management of the Stadium.

This Use Agreement (officially titled: "Agreement for the Use, Management and Operation of the Domed Stadium in St. Petersburg including the Provision of Major League Baseball") is unique in its character. It is not a lease, but an agreement that requires the Rays to play all of their home games in the Stadium and to not permit relocation of the Franchise from the Stadium through the end of the baseball season occurring in 2027.

This commitment by the Franchise was a material inducement for the City to enter into the Agreement. As is stated in the Agreement: "The Club needs a top quality facility, such as the Dome (Tropicana Field) to be the Franchise's home field and desires to operate and manage the Dome . . . The Club, as part of the inducement to the City to retain the club as the manager, agrees to provide Major League Baseball and other events in the Dome, on behalf of the City and for the benefit of the City and its residents as well as the Club itself."

This long term commitment by the Rays to play baseball in St. Petersburg, and also specifically in Tropicana Field, is important because of the substantial financial investment made by not only the City, but Pinellas County and the State of Florida; including the original construction of the Dome and the baseball improvements made prior to the start of the 1998 MLB season. The public sector has paid out or obligated itself to over \$300 million of debt service payments related to Tropicana Field. These are funding commitments that extend out to 2015 (for the City and County) and 2025 (for the State). Over \$100 Million of these obligations are still outstanding and must be satisfied no matter the future of Tropicana Field. In order to obtain value for this investment the City needed a long term commitment, not just to this area, but to the facility as well. This is a key element of the Use Agreement.

Both the City and the Rays realized that from time to time the Stadium would need to be refreshed in order to keep it up to current standards and to ensure it is well maintained and serviceable. Towards that end, the Use Agreement includes a provision for Capital Repairs, Renewals and Replacements. Both the City and the Rays have funding obligations under this provision. It is also interesting and significant to point out that not only did the Rays approve the Use Agreement (and the Dome as incorporated therein) but MLB did as well. The current ownership group was aware of these contractual provisions when they acquired control of the Franchise subsequent to the conclusion of the 2005 MLB season.

Clearly, Tropicana Field is still capable of hosting MLB. The recently concluded season is testament to this fact. But beyond just being acceptable, Tropicana Field is still an extremely functional and fan friendly facility. The City appreciates the investment that the current ownership group has made in the team and the Stadium. However, when evaluating the overall success of the Franchise in terms of attendance and other measures, consideration should be given to the entire period of time the team has been in existence and not just recent trends. The 2008 post-season activities (American League Division & League Championship games and World Series games) demonstrated that Tropicana Field can handle sell out crowds, visiting media, enhanced television requirements and a host of other logistical items in an impressive

manner. It has also been widely reported that the Rays' television ratings have improved significantly since the team has become more competitive, which in turn should have improved the team's revenues from broadcast rights and advertising.

A team's performance can also have a profound impact on attendance, as demonstrated by the 35% increase in attendance the Rays experienced between the 2007 (1,387,603 attendance) and 2009 (1,874,962 attendance) seasons. This was the largest percentage increase in Major League Baseball attendance between the 2007 and 2009 seasons (see attached table). The 2008 season was the first time in the eleven year history of the franchise (1998 – 2008) we had the opportunity to see how the market would respond to having a competitive team on the field. During this two year period the team climbed from 29th place (out of 30) in total season attendance in 2007 to 23rd place in 2009. This positive trend, coupled with the fact that the Rays drew 2.5 million fans in their inaugural season, bodes well for the future if the team can remain competitive.

It is easy to get excited about the potential for a new facility. Many new stadium designs have focused on ways to increase team revenues through enhanced points of sales for concessions, retail sales enhancement opportunities, additional suites, premium seating options, and other features. Such amenities can enhance revenues that may help a team be more competitive on the field, but it should also be noted that a new stadium may not be a panacea for attendance beyond its first year or two of operations. This was the case in Detroit and Pittsburgh, where attendance increased the year the new stadium opened and then decreased thereafter for three consecutive years.

We look forward to the final report of the ABC Coalition. I know it will be a forward looking document that will aid this area in retaining MLB for our community well beyond the current contractual requirements. I do ask, though, that appropriate respect be given to the current Use Agreement requirements related to Tropicana Field as you develop your recommendations and the timing of future actions.

Sincerely,



Rick Mussett, AICP
City Development Administrator

cc: Nancy Loehr
Charlie Harris
Matt Silverman
Michael Kalt
Mayor Baker
Tish Elston
John Wolfe

**ATTACHMENT TO CITY OF ST. PETERSBURG
NOVEMBER 18, 2009 LETTER TO ABC**

Tropicana Field Use Agreement

The Agreement for the use of Tropicana Field between the City of St. Petersburg and the Tampa Bay Rays ("Use Agreement") was approved by the St. Petersburg City Council on April 27, 1995, approximately one month after Major League Baseball (MLB) awarded an MLB franchise to the Tampa Bay area and the Naimoli ownership group. Rick Mussett presented a summary of the Use Agreement and a power point presentation on St. Petersburg's historical effort to attract an MLB franchise to the ABC Board on December 11, 2008 (see attached Exhibits 1 and 2).

A copy of the transcript from the April 27, 1995 City Council meeting is also attached to this report as Exhibit 3. Noteworthy information from the transcript and the Use Agreement is summarized below:

Historical Context:

- * The Naimoli ownership group was originally formed in an effort to acquire the San Francisco Giants in 1992 and relocate the team to St. Petersburg's domed stadium currently known as "Tropicana Field". The Naimoli group executed a signed contract with Giants ownership to acquire the team and move it to St. Petersburg to begin playing their home games in the City's domed stadium in 1993, subject to the approval of MLB; and, the St. Petersburg City Council approved an agreement for the Giants to play their home games in St. Petersburg. Subsequent to execution of the Giants' purchase agreement, MLB sought alternative potential buyers for the Giants franchise that would purchase the team and keep the franchise in San Francisco. Ultimately, an alternative group stepped forward to purchase the team for a lower purchase price than was stated in the Naimoli group's purchase agreement; and, MLB voted not to approve the sale and relocation of the Giants to St. Petersburg. The St. Petersburg parties then sued MLB over their failure to approve the Giants transaction and relocation. The suit remained pending until the Devil Rays franchise was awarded as a result of MLB's 1995 expansion process and the Naimoli ownership group agreed to pay MLB a \$130 million franchise fee for the team. The Giants' Agreement for the use of the Dome provided the framework for the current contract (i.e., Use Agreement) between the Club and the City to play all Rays home games at Tropicana Field through the 2027 MLB season. The Use Agreement specifies that the Dome is suitable for the play of MLB and the Agreement was approved by MLB.

- * The Use Agreement requires the Rays to play all regular season home games and all post season home games in the Dome. The City and the Team each have the right to seek specific performance and injunctive relief under the Agreement, and the City has the right to seek an action for damages should the team seek to leave. Further, the Club does not have the right to enter into negotiations with a third party for a new stadium without the approval of the City.

- * **During City Council's deliberations in approving the Use Agreement on April 27, 1995, a council member asked a Rays' representative why the City did not receive a greater financial return for the use of the Dome under the Use Agreement. The Rays representative responded that the City and the Team were obligated to agree to terms that were "substantially equivalent" to what was in place under the Giants' deal in the event an expansion franchise was awarded. He went on to acknowledge that the Team's revenues playing in the Dome would be different than they would be in a newer stadium, as summarized in the following excerpt:**

"I have heard a lot of talk about the lease in Phoenix and I know quite candid [sic] the ThunderDome is not and never will be Coors Field or the Bank One Ballpark, I think the facility in Phoenix is going to be. And I think Mr. Naimoli said it the other day when he and I were talking it's sometimes the difference between a Chevrolet and a Cadillac. The revenue streams that will be obtained by the baseball franchises in Colorado and in Phoenix are going to be different than what we are going to get because of the facility and if we didn't have the Dome we might not have the team but if we didn't have the Dome and we somehow got the team, the lease might have been different because our financial revenues from the facility might have been different." (source: transcript of April 27, 1995 City Council meeting, page 21).

- * **Current Rays ownership, lead by Stuart Sternberg, acquired control of the franchise subsequent to the conclusion of the 2005 MLB season. The ownership group was aware of, and conducted due diligence review of, the contractual provisions contained within the Use Agreement prior to their purchase of the Rays franchise.**

Other General Observations for ABC's Consideration:

1. **The preliminary findings in ABC's "Stadium Options Group Data Research and Realities" Sub-Committee report seem to rely heavily on the Committee's 30 minute drive-time analysis. Corresponding documentation should be provided in ABC's final report comparing trade areas utilizing 60 minute drive-times. For example, when comparing 30 minute drive-times to 60 minute drive-times, the population gap between downtown St. Petersburg and downtown Tampa decreases from 47% to 10% in 2035, and from 51% to 13% in 2050. The 60 minute drive-time analysis was completed by an ABC Sub-Committee; therefore, these findings should be included in ABC's final report.**
2. **The City's Economic Development staff has analyzed ABC's Data Research and Realities Sub-Committee's July 16, 2009 report and has provided comments and questions pertaining to certain data sources and methodology utilized to support certain ABC findings (see attached memorandum labeled Exhibit 4). As noted in Exhibit 4, these observations could have a significant impact on the conclusions reached in ABC's preliminary analysis of trade areas, which in turn could impact ABC's overall conclusions.**

3. **Consideration should be given to analyzing the impacts of relative traffic congestion at the point of arrival at the centroid of each trade area to determine how that congestion could alter the estimated drive times on game days. For example, multiple traffic corridors and interchanges are available for access to Tropicana Field compared to many other existing stadium locations. Conversely, the daily traffic congestion and the delays approaching downtown Tampa, and congestion on I-275 and the connecting streets leading to Raymond James Stadium during major events would impact drive times to a new venue in those areas. How has congestion at the point of arrival for each of the trade areas on game days been analyzed, and incorporated into the findings documented in the Data Research and Realities report?**
4. **The Rays have indicated that to be successful they would like to see annual attendance somewhere around the league average. This would allow them to more effectively compete, especially after allowing for mega-market teams located in cities such as New York, Los Angeles and Chicago. ABC should note that other revenue streams (in addition to paid attendance) are also important to the success of an MLB franchise, such as television, cable and radio rights, sponsorships, novelty sales, advertising, payments from MLB, etc. In fact, Central Florida's market for television and cable rights was one of the major considerations by MLB in deciding to award an expansion franchise to our region.**
5. **Given the fact that the Rays drew approximately 2.5 million fans in their inaugural season, and had the largest percentage increase in attendance for all of MLB between 2007 and 2009, the City strongly disagrees with the following statement made by Mr. Alan Bomstein at the October 21, 2009 ABC meeting:**

"The recognition of the current stadium in its current environment will never generate enough revenues to support a successful and vital franchise."

Prior to the 2008 season, the Tampa Bay market has never had the opportunity to demonstrate it would support a competitive MLB team. The market responded positively to "the current stadium in its current environment" during the 2008 season with a 424,379 or 31 percent increase in attendance over the prior season. This increase and the increase in attendance during the 2009 season may not have been as significant as the Rays ownership had hoped for, but it definitely is a strong trend in the right direction. In fact, the Rays were one of only nine Major League teams that had an increase in attendance in 2009 - in spite of the national recession and the fact that the Tampa Bay MSA had the third highest unemployment rate of all Major League markets as of September, 2009 (see attached tables).

6. **The following are additional comments pertaining specifically to ABC's October 21, 2009 Draft 2 report (see Exhibit 5):**
 - a. **The City disagrees with the statement that "Tropicana Field is approaching the end of its useful life", especially since there is no point in time the report is referencing. As previously noted, the City and the Rays executed the existing Use Agreement (and MLB approved said Agreement), and the parties to the Use Agreement acknowledged that the Dome (i.e., Tropicana Field) was suitable for the play of MLB through the 2027 season.**

- b. **The City provides the following comments on the Draft 2 report statement that "ABC's approach to identifying and evaluating trade areas provides important and valuable insight regarding the viability of Tropicana Field in the long-term, and regarding potential locations for any new stadium.":**
- * **The reference to "the viability of Tropicana Field in the long-term" should be clarified to define what is meant by "long-term", keeping in mind that the existing contract between the City and the Rays acknowledges that the Dome is viable for the play of MLB through the 2027 MLB season; and,**
 - * **The reference to "potential locations for any new stadium" is only relevant during the term of the Use Agreement if the City and the Rays were to agree to enter into negotiations for a new stadium; and, if such negotiations were to occur, the City would not consider any location for a potential new stadium that was not located within the City of St. Petersburg.**
- c. **The following two statements from ABC's October 21, 2009 draft report appear to be based on ABC's 30-minute drive-time analysis and the statistical analysis of trade area data for geographic areas served by 30-minute drive times:**

"The downtown St. Petersburg, and Fairgrounds trade areas, bear the burden of demographic disadvantage. To be successful in these areas, the venue and surrounding development would need to be iconic in nature to help offset location-related weaknesses."

"The demographic data demonstrates that Mid-Pinellas (North St. Petersburg), West Shore and Downtown Tampa trade areas provide the potential for attracting and retaining a materially higher level of attendance, and will grow at an accelerated pace as the region grows."

As noted previously, ABC's Draft 2 report does not acknowledge that the "Stadium Options Group Data Research and Realities" Sub-Committee also analyzed 60-minute drive-times, nor does it provide the conclusions reached in the 60-minute drive-time analysis. The City requests that the findings identified in ABC's 60-minute drive-time analysis be included in ABC's final report; and, that the above stated preliminary ABC conclusions be modified and/or expanded to address conclusions reached by ABC's 60-minute drive-time analysis. Traffic congestion impacts as noted in number 3 above should also be addressed.

- d. **The October 21, 2009 ABC Draft 2 report includes the following statement:**

"Evaluation of any particular project and site within a trade area would require a careful and professional study backed by a conscientious effort to secure and include public input."

The City requests that the above statement be amended by adding the following additional language to the end of the statement:

"; and, would require the mutual approval of the Rays and the City of St. Petersburg if either entity were involved in such evaluation during the tenure of the current Tropicana Field Use Agreement."

- e. **The ABC Draft 2 report indicates that "The statistics related to the 2008-2009 seasons will be evaluated and incorporated into the final report." In addition, Mr. Michael Kalt of the Tampa Bay Rays, gave a report on the "2009 Rays Season final numbers" at ABC's October 21, 2009 meeting. Therefore, the City of St. Petersburg respectfully requests that the City's analysis and other information conveyed to ABC in the City's November 18, 2009 transmittal also be considered and incorporated into ABC's report.**

**Percentage Change in MLB Team Attendance
2008 to 2009 Seasons**

<u>Team</u>	<u>2008</u>	<u>2009</u>	<u>% Change</u>
1 Royals	1,578,922	1,797,887	13.9%
2 Rangers	1,945,901	2,156,016	10.8%
3 Marlins	1,335,075	1,464,109	9.7%
4 Phillies	3,422,583	3,600,693	5.2%
5 Twins	2,302,431	2,416,237	4.9%
6 Rays	1,811,982	1,874,962	3.5%
7 Dodgers	3,730,733	3,761,651	0.8%
8 Rockies	2,650,188	2,665,080	0.6%
9 Red Sox	3,048,248	3,062,699	0.5%
10 Giants	2,863,845	2,862,111	-0.1%
11 Brewers	3,068,458	3,037,451	-1.0%
12 Pirates	1,609,076	1,577,853	-1.9%
13 Orioles	1,950,077	1,907,163	-2.2%
14 Cardinals	3,433,274	3,343,252	-2.6%
15 Angels	3,336,744	3,240,374	-2.9%
16 Cubs	3,300,200	3,168,859	-4.0%
17 Mariners	2,332,527	2,196,449	-5.8%
18 Braves	2,532,834	2,373,631	-6.3%
19 White Sox	2,500,642	2,284,163	-8.7%
20 Astros	2,779,287	2,521,076	-9.3%
21 Yankees	4,247,123	3,674,495	-13.5%
22 Reds	2,058,630	1,747,919	-15.1%
23 Diamondbacks	2,508,248	2,128,799	-15.1%
24 Athletics	1,665,256	1,408,783	-15.4%
25 Indians	2,182,087	1,776,904	-18.6%
26 Tigers	3,202,645	2,567,193	-19.8%
27 Padres	2,427,535	1,919,603	-20.9%
28 Nationals	2,321,848	1,817,202	-21.7%
29 Blue Jays	2,400,416	1,876,129	-21.8%
30 Mets	4,021,534	3,135,904	-22.0%

Source: MLB.Com (except Braves)
Baseball-Reference.Com (Braves)

Unemployment Rate in MLB Markets
September 2009

Team	Unemployment Rate
Tigers	17.3%
Los Angeles MSA	11.9%
Tampa Bay Rays	11.7%
Marlins	10.9%
Braves	10.5%
Giants	10.4%
Athletics	10.4%
Padres	10.2%
Chicago MSA	10.0%
Cardinals	9.9%
New York MSA	9.3%
Reds	9.2%
Mariners	9.1%
Royals	8.9%
Phillies	8.8%
Red Sox	8.8%
Diamondbacks	8.6%
Brewers	8.5%
Astros	8.5%
Rangers	8.3%
Indians	8.3%
Pirates	7.6%
Orioles	7.6%
Twins	7.3%
Rockies	7.1%
Nationals	6.2%
Blue Jays	NA

Source: U.S. Bureau of Labor Statistics. Over-the-year Unemployment Rates for Large Metropolitan Areas, September 2009. Preliminary release.