



Legislation Text

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SUBJECT/RECOMMENDATION:

Approve a Term Sheet between the City of Clearwater (City) and the Philadelphia Phillies (Team) for the Carpenter Field Training Complex and Spectrum Field Stadium (Clearwater Complex), authorize staff to submit a TDC Capital Projects grant application to Pinellas County and apply for certification of retained spring training facility funding from the State of Florida Department of Economic Opportunity (DEO), and authorize the appropriate officials to execute same.

SUMMARY:

The City and the Philadelphia Phillies have had a long-standing partnership to provide Major League Baseball training and development for 72 years. The current Sports Facility Use Agreement (Spectrum Field) as well as the Baseball Training Facility Lease Agreement (Carpenter Complex) are set to expire December 31, 2023.

Staff has been in discussions with the team on a lease extension as well as multiple major capital improvements to both complexes to provide the necessary facilities to support the ongoing changes to MLB baseball. The first step in this process will be to approve the Term Sheet, followed by a new Facility Use Agreement and Development Agreement.

The primary purpose of the Term Sheet is to document the proposed improvements and funding for the Clearwater Complex and application for state and county funding. The Term Sheet shall be conditioned on the ability of the City and the Team to agree upon final definitive terms and conditions and to enter into a new Spring Training Facility Use Agreement.

The main components of the Term sheet are as follows:

- Upgrades to the Carpenter Facility:
 1. Renovations to the existing clubhouse
 2. Addition of second story contiguous office space and coach's locker room area
 3. Minor league food service facilities and dining area
 4. Player support facilities
 5. Player/staff dormitory facilities to accommodate 160 players
- Upgrades to the Spectrum Field:
 1. Repair and replacement items as identified in Delta Engineering Capital Improvement (Reserve Study) report dated August 7, 2015
 2. Renovation and expansion of office space
 3. Renovate and expanded fitness/training space
 4. Expanded food service and dining area
 5. Climate controlled club level
 6. Climate controlled connection of third level
 7. Renovations of the left field concourse
- Funding for the project shall come from the following sources:
 1. State of Florida \$13.7 million

2.	Pinellas County	\$40 million
3.	City of Clearwater	\$16 million (Penny for Pinellas 4)
4.	Team	<u>\$10 million*</u>
	Total	<u>\$79.7 million</u>

*The Team shall contribute a minimum of \$10 million to the project and shall bear the cost of any and all cost overruns.

- All other terms and conditions will continue (the current business structure) of both agreements (Spectrum and Carpenter). They will both be codified with new agreements at a future time.
- The City of Clearwater will be liable for all County and State funding received for the project should the City deliberately terminate the facility usage agreement.
- As part of this Term Sheet, the Team will retain all net revenues generated on and from the Clearwater Complex for:
 1. Two thirds of any net revenue derived from sale of the right to name the stadium.
 2. Tickets (less the City receiving \$1.00 per spring training ticket), premium seating, concessions, signage, merchandise, broadcasting, sponsorships.
 3. Restaurant/sports bar, souvenir/sporting goods and other synergistic uses.,
 4. Fantasy camps.
 5. Any other events held at the Clearwater Complex that are not Partnership Events.
 6. Any net revenues generated by events at the Clearwater Complex from parking at the Clearwater Complex and Joe DiMaggio Sports Complex.
- The term of the agreement is for 20 years with one five-year extension option.
- The City will receive annual payments of \$180,000 from the Team for exclusive use of the Clearwater Complex.
- The City shall pay 100% of the utility costs for the Clearwater Complex with the exception of 25% the Team pays for the cost of utilities at Spectrum Field.
- The Team shall provide maintenance of the ballfields while the City shall maintain the remainder of the Clearwater Complex including capital repairs and replacement.
- If for some reason the City does not secure State and County funding for use in the project by December 31, 2018 the Team may terminate the project and the City will be responsible to reimburse the Team for all expenditures made in respect to the Project, which expenditures are estimated to be \$2.5 million through September 30, 2018.

APPROPRIATION CODE AND AMOUNT: N/A

USE OF RESERVE FUNDS: N/A