

VIII, G.

Meeting Date
August 6, 2015



AGENDA	
Section	New Business
Item No.	

AGENDA REPORT
BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	Stadium Complex Lease Agreement between Brevard County and USSSA
DEPT/OFFICE:	Commissioner Robin Fisher, District 1 County Commissioner

Requested Action:

It is requested that the Brevard County Board of County Commissioners approve a Lease Agreement between Brevard County and USSSA, LLC, by and through UNITED STATES SPECIALTY SPORTS ASSOCIATION INC., its manager for use of the Stadium Complex consisting of Space Coast Stadium and the Carl Barger Training Complex.

Summary Explanation & Background:

On April 9, 2015 the BOCC approved Tri-Party Amendment of Leases and Assignment and Assumption Agreement by the Washington Nationals Baseball Club, the County of Brevard and the Viera Development Corporation. These agreements gave the County control of the entire "stadium complex" to include the Space Coast Stadium and the Carl Barger Training Complex allowing the Board to seek other operators for the stadium complex. After failed attempts at retaining the Nationals, the County engaged in active research and exploration with various organizations, including efforts to recruit a major league team, discussions with the Brevard County Manatees, and discussions with multiple youth/amateur sports organizations. The best candidate in terms of return on investment, highest and best use of the facility, and quality of life for our community is United States Specialty Sports Association (USSSA). The following highlights some important information about the organization.

- A Non-Profit organization USSSA is the World's Largest Multi-Sport Organization - Founded 1968
- Over 3.9M members
- Over 250,000 teams in 32 sports in the United States, Puerto Rico and Canada and growing
- Baseball, Slow-Pitch Softball, Fast-Pitch Softball, Basketball and 28 other sports
- 2014 host of 51 tournaments in Osceola (193 tournament days)
- All NPF (National Pro Fast-pitch) games are televised live nationally on the ESPN family of networks and/or through USSSA Live.
- Reported 27,000 room nights in September 2014 (Adult and Youth)

On May 26, 2015 the BOCC approved a Memorandum of Understanding (MOU) with USSSA, LLC by and through United States Specialty Sports Association Inc. The MOU addressed the intent of USSSA and the County to set forth the principal points of agreement relating to a ground lease and sub-ground lease that will be entered into by the parties relating to Space Coast Stadium, abutting baseball fields, baseball improvements, buildings, facilities and unimproved areas, as well as all improvements and equipment specified in the Lease Agreements.

This agenda item is presenting for approval the attached lease agreement contains the following substantive deal points:

Clerk to the Board instruction: Return two originals to County Manager's Office.

Exhibits Attached: Stadium Complex Lease Agreement with exhibits.

Contract /Agreement (If attached): Reviewed by County Attorney		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	PR	<input type="checkbox"/>
County Manager	Assistant County Manager		Department Director / Extension				
Stockton Whitten	Assistant County Manager						

1. USSSA 20 year lease agreement with the County for the Stadium Complex to operate as an amateur/professional sports complex.
2. USSSA will be responsible for operations and routine maintenance of all buildings, fields, facilities and other improved and unimproved areas (not including capital maintenance and renovations).
3. The County agrees to reimburse USSSA up to a maximum of \$10 million for improvements to the Stadium Complex to make it amateur and professional sports friendly.
4. USSSA will contribute \$250,000 each year for ten years during the term of the lease towards a capital improvement and capital maintenance to the Stadium Complex that are agreed upon by both parties. The County will contribute \$250,000 each year for five years.
5. USSSA will guarantee 75,000 room nights in the first full year after taking possession of the Stadium Complex; and within three years, USSSA will guarantee 100,000 total room nights each year after.
6. USSSA agrees to a claw-back provision that will allow proportionate recoupment of the County investment if the room night guaranty is not met and sustained throughout the term of the lease. If room night guaranty is exceeded, the County agrees to a pro-rata incentive up to 100% reimbursement of ad valorem taxes as outlined in Exhibit D. (2014 taxes approx. \$48,000)
7. USSSA agrees to program a minimum of 175 tournament days each year.
8. USSSA agrees to replace the existing Stadium Complex scoreboards at its own expense.
9. USSSA agrees to make Stadium Complex available for events sponsored by the County or other community organizations at least seventy five (75) days through each year of the lease and will further negotiate a percentage of food and beverage revenue sharing to go toward such community organization.
10. In continuation of the County's Stadium annual capital repair program, USSSA agrees to undertake agreed upon structural repairs, and the County will reimburse USSSA for the costs up to a maximum of \$500,000 in 2015-2016, and \$500,000 in FY 2016-2017, for a combined total not to exceed one million dollars.
11. USSSA will move its national corporate headquarters and at least nineteen full time employees and their families to Brevard County.

Fiscal Impact:

All improvements and agreed upon reimbursements will be funded by the 4th cent Tourist Development Tax. Currently the reserve accounts total \$6.6 million. Based on historical expenditures (stadium capital improvements and promotion/advertising) it is projected that the fourth cent reserve will be approximately \$8.8 million by the end of FY15/16. Therefore, it is anticipated that the amount that would need to be financed would not exceed \$5 million. Based on the room night guarantee, Tourist Tax revenues will increase by \$500,000 based on an average room night rate of \$100.