

AGENDA

SPECIAL COMMITTEE RIVERFRONT ACTIVITIES AND BASEBALL

April 2, 2012

**Aldermen Long, Arnold
Greazzo, Ludwig, Roy**

4:30 p.m.

**Aldermanic Chambers
City Hall (3rd Floor)**

1. Chairman Long calls the meeting to order.
2. The Clerk calls the roll.
3. Proposed amendment to the contract between the City and the New Hampshire Fisher Cats.
Gentlemen, what is your pleasure?
4. If there is no further business, a motion is in order to adjourn.

To the Board of Mayor and Aldermen of the City of Manchester:

The Special Committee on Riverfront Activities and Baseball respectfully recommends, after due and careful consideration, that the communication from the Fisher Cats President and General Manager regarding a reduction in their annual lease payment be approved subject to review from the City Solicitor's Office and the Parks, Recreation and Cemetery Division.

(Unanimous vote)

Respectfully submitted,


Clerk of Committee

Date: 3/20/12

On motion of Ald. Long

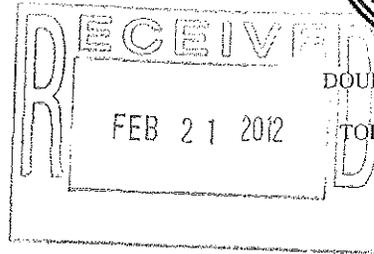
Seconded by Ald. Arnold

Voted to refer back to the Special

Committee on Riverfront Activities and

Baseball.

 City Clerk



DOUBLE-A AFFILIATE OF THE TORONTO BLUE JAYS

February 16, 2012

Mayor Theodore Gatsas
City of Manchester
One City Hall Plaza
Manchester NH 03101

Dear Mayor Gatsas,

As the attached documentation indicates, the New Hampshire Fisher Cats intend to make a significant capital improvement to Delta Dental Stadium by installing a permanent, state-of-the-art LED sign on the outfield wall at an anticipated cost of \$266,996.70. In light of this anticipated expenditure, the team hereby requests that its annual lease payment of \$750,000 at the stadium be reduced by \$20,000 per year over the next 10 years.

As you know, the Fisher Cats previously made another significant capital improvement to the stadium when the team underwrote the construction of the Sam Adams Bar & Grill at a cost of \$523,703. That structure also represents a permanent capital improvement to the stadium's infrastructure. Between those two capital improvements, the team will have added over \$750,000 of value to the stadium's infrastructure since 2008. At the time of the construction of the Sam Adams Bar & Grill, the team did not request a lease adjustment - but if the team is expected to continue to improve the quality and condition of the ballpark in order to maintain its state-of-the-art status and its desirability as a host site for events like the Eastern League All-Star Game, some financial cooperation from the City of Manchester will be needed. Nothing in the team's agreements with the City of Manchester forecloses such a request for contribution from the City for infrastructure improvement.

The Fisher Cats are a small, family owned business that has consistently been a strong supporter of the local community and local causes. This proportionally small reduction request in the team's lease arrangement with the City of Manchester will assist the team in continuing to improve the facility and give back to its community.

Should the City of Manchester agree to contribute in the manner requested, the New Hampshire Fisher Cats will donate 60ft of our existing scrolling outfield signage infrastructure to the City. This signage can then be installed at the JFK Coliseum, Gill Stadium, the West Side Arena, or wherever the City sees fit - and sold, by the City, to advertisers for additional revenue.

Your consideration of this request is most appreciated.

Sincerely yours,

Richard Bremner
President and General Manager
New Hampshire Fisher Cats

Handout at 3/6/12 Sp.
Committee on Riverfront
Activities + Baseball

Stadium Bonds
Debt Service
2005-2012

	Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Total
Annual Debt Service:									
\$25 Million	\$ 1,550,550	\$ 1,240,264	\$ 1,779,116	\$ 1,814,327	\$ 1,862,715	\$ 1,862,644	\$ 1,771,427	\$ 1,747,709	\$ 13,628,752
\$2.5 Million	155,055	169,016	169,014	169,015	169,016	169,017	169,013	167,627	\$ 1,336,773
Total	\$ 1,705,605	\$ 1,409,280	\$ 1,948,130	\$ 1,983,342	\$ 2,031,731	\$ 2,031,661	\$ 1,940,440	\$ 1,915,336	\$ 14,965,525
6 To 4 To 3 Payments									
Minimum Payment	\$ (750,000)	\$ (750,000)	\$ (750,000)	\$ (750,000)	\$ (750,000)	\$ (750,000)	\$ (750,000)	\$ (750,000)	\$ (6,000,000)
Additional Payment (\$2.5M)	(155,055)	(169,016)	(169,014)	(169,015)	(169,016)	(169,017)	(169,013)	(167,627)	\$ (1,336,773)
Total	\$ (905,055)	\$ (919,016)	\$ (919,014)	\$ (919,015)	\$ (919,016)	\$ (919,017)	\$ (919,013)	\$ (917,627)	\$ (7,336,773)
Net Before Taxes	\$ 800,550	\$ 490,264	\$ 1,029,116	\$ 1,064,327	\$ 1,112,715	\$ 1,112,644	\$ 1,021,427	\$ 997,709	\$ 7,628,752
Property Tax Revenues	\$ (44,669)	\$ (73,121)	\$ (371,967)	\$ (431,113)	\$ (455,649)	\$ (482,030)	\$ (453,953)	\$ (475,028)	\$ (2,787,529)
Make - Whole Payments	\$ (77,156)	\$ (163,907)	\$ (305,894)	\$ (607,937)	\$ (232,157)	\$ -	\$ -	\$ -	\$ (1,387,051)
Remainder	\$ 678,725	\$ 253,236	\$ 351,255	\$ 25,277	\$ 424,908	\$ 630,614	\$ 567,475	\$ 522,681	\$ 3,454,172

Leahy, Maura

From: Leahy, Maura
Sent: Wednesday, March 07, 2012 10:31 AM
To: Arnold, Thomas
Subject: Fishercats Management Agreement

Tom,

At the Special Committee on Riverfront Activities and Baseball, the committee requested that your office review the management agreement, specifically the CPI and what happens if the CPI is negative or zero.

Thank you,

Maura Leahy
Administrative Assistant
City Clerk's Office
One City Hall Plaza
Manchester, NH 03101
MLeahy@ManchesterNH.gov
T: 603-624-6455
F: 603-624-6481

Leahy, Maura

From: Leahy, Maura
Sent: Wednesday, March 07, 2012 11:44 AM
To: Capano, Peter
Subject: Fishercats Scrolling Signs Proposal
Attachments: S12030711310.pdf

Peter,

At the Special Committee on Riverfront Activities and Baseball, the committee requested that your office review the potential locations and costs associated with scrolling signage that is being offered from the General Manager and President of the NH Fisher Cats. The request letter is attached for further information.

Thank you,

Maura Leahy
Administrative Assistant
City Clerk's Office
One City Hall Plaza
Manchester, NH 03101
MLeahy@ManchesterNH.gov
T: 603-624-6455
F: 603-624-6481



CITY OF MANCHESTER
Board of Aldermen

March 16, 2012

Special Committee on Riverfront Activities and Baseball
c/o Matthew Normand, Clerk
One City Hall Plaza
Manchester, NH 03101

RE: Baseball Stadium Management and Operations Agreement

Gentlemen:

As you are aware at the Committee's meeting on March 6, 2012, Richard Brenner, President and General Manager of the New Hampshire Fisher Cats, proposed that the lease payments on the stadium be reduced by \$20,000.00 per year for the next ten years in light of a planned expenditure to install a state-of-the-art LED sign on the outfield wall. The Committee voted to recommend the reduction in lease payment provided that paragraph 7.1.1(a) of the Management and Operations Agreement was modified to provide that the guaranteed minimum lease payment would not go down in any year in which the CPI was a negative number.

The Committee's recommended modification to the CPI language lead to some discussion regarding other parts of the CPI language in paragraph 7.1.1(a) as well as some other provisions of the Management and Operations Agreement. This has led to a new proposal for the Committee's consideration. The provisions of the new proposal are as follows:

1. Paragraph 7.1.1(a) will be modified to provide that the guaranteed minimum payment shall increase by the lesser of the CPI or 3%, provided that if in any year which is used as a basis for adjusting the guaranteed minimum payment the CPI is a negative number then the adjustment to the guaranteed minimum payment will be 0%.
2. The guaranteed minimum payment will be first adjusted in 2015 and every five years thereafter. The adjustment will be based on the CPI in the year immediately preceding the year in which the adjustment is made.

3. That paragraph 7.3.2 will be amended so that starting in 2015 the Fisher Cats will deposit \$8,750.00 into the Capital Reserve on the first day of each quarter of the fiscal year. That is an increase over the \$6,250.00 presently provided for in the current Management and Operations Agreement.
4. That starting this year the Guaranteed Minimum payment will be reduced by \$20,000.00 annually for ten years.

The Committee's consideration of this new proposal would be most appreciated.

Patrick Long
Alderman
Ward 3

operations of the Manager. Such inspection rights of the City shall be in addition to and not in derogation of the City's rights to enter upon the Real Property and the Ballpark to exercise its rights under Section 14.2.

ARTICLE 7
MANAGER PAYMENTS

Section 7.1. Guaranteed Payment.

7.1.1. Guaranteed Minimum Payment.

(a) Commencing in 2005 the Manager shall pay to the City a Guaranteed Minimum Payment each year during the Term. The Manager shall make the Guaranteed Minimum Payment in of two equal installments on February 1 and July 1 of each year during the Term. The Guaranteed Minimum Payment shall remain fixed at \$750,000 per year for the first ten (10) years of this Agreement, based on the City's Debt Issuance Agreement totaling \$25,000,000. Thereafter, in each subsequent year for the remainder of the Term, the amount of the Guaranteed Minimum Payment from the prior year shall be increased by a percentage equal to the lesser of (i) the increase in the Consumer Price Index (or, if not available, the City's reasonable determination of an alternate measure) using 2013 as the base year to measure increases from or (ii) 5%. Absent manifest proven error by the City, the City's determination of the amount of the Guaranteed Minimum Payment to be paid for any given period shall be final and conclusive.

(b) The Manager shall make the Guaranteed Minimum Payment each year during the Term irrespective of the Net Revenue in any one Fiscal Year or all Fiscal Years. Notwithstanding any term or provision in this Agreement to the contrary, the Guaranteed Minimum Payment shall be due and paid by the Manager without regard to any intervening circumstances or events, including, but not limited to, any *force majeure* events or having to manage and operate the Club and cause the Club to play Club Home Games at Gill Stadium after April 1, 2005.

7.1.2. Additional Minimum Payment. If the City's Debt Issuance Amount exceeds \$25,000,000, the Guaranteed Minimum Payment paid by the Manager each year will be increased to compensate the City in full for the total cost to the City over the Term of this additional financing.

Section 7.2. Net Revenue Participation.

7.2.1. Participation Payment. In addition to any Guaranteed Minimum Payment made in accordance with Section 7.1, the Manager shall pay to the City a percentage share of the Net Revenues in each Fiscal Year (the "Participation Payment"). The Participation Payment in any Fiscal year shall be an amount equal to 25% of Net Revenues in such Fiscal Year in excess of \$975,000.

7.2.2. Participation Payment Adjustment. If (i) the total Assessed Value in any year of (x) the Master Lease Land plus (y) the Railroad Land in such year, minus (z) the Railroad Land for 2003 (the "Total Benefited Value") exceeds (ii) a threshold of \$80,000,000, then, (iii)