

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date: August 22, 2023

Consent
 Ordinance

Regular
 Public Hearing

Department: **Facilities Development & Operations**

I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: Amendment No. 2 to the Second Restated Sports Facility Use Agreement (Second Restated SFUA) (R2022-0521) between Palm Beach County (County) and Jupiter Stadium, Ltd. (JSL), St. Louis Cardinals, LLC (Cardinals) and Marlins Teamco LLC (Marlins) which amendment updates Exhibit I to the Restated SFUA and modifies the definition of annual debt service.

Summary: In 1996, the County entered into a Developer Agreement (R96-879D, as amended) and a Sport Facility Use Agreement (R96-877D, as amended) (SFUA) with JSL for the use and operation of Roger Dean Chevrolet Stadium (RDCS) and the adjacent two-team baseball training facilities, clubhouses, playing fields, on-site parking areas and related structures and improvements. RDCS serves as the spring training facility for the Cardinals and the Marlins (collectively the Teams). Construction of RDCS was completed in 1998, so that the facility is now over 25 years old; and the County determined that renovations were required to ensure that RDCS: 1) meets updated MLB standards, 2) provides accommodations comparable to the County's most recently built Ballpark of the Palm Beaches, and 3) provides for a visitor experience that further solidifies spring training as a tourism generator. On December 17, 2019, the Board of County Commissioners (Board) approved a term sheet identifying key provisions of a new Developer Agreement (New DA) and the Second Restated SFUA to facilitate the renovation of RDCS (Renovation Project), and authorized the County Administrator or designee to commence negotiations. Negotiations commenced as authorized by the Board but, in March 2020, had to be halted due to the detrimental effects that the COVID19 pandemic had on Bed Tax collections. In November 2021, JSL and the County reengaged in negotiations. On May 17, 2022, the Board Approved the New DA (R2022-0520) and the Second Restated SFUA. On March 14, 2023, the Board approved: 1) a Spring Training Facility Funding Agreement (Funding Agreement) (R2023-0367) with the State of Florida, Department of Economic Opportunity (DEO) for the provision of \$50,000,000 of State funding under Section 288.11631, Florida Statutes over a 25-year period towards the RDCS Renovation Project; 2) an Addendum to the Second Restated SFUA (R2023-0368) providing for additional payments to be made by the Marlins and Cardinals to the DEO in the event of missed games; 3) Amendment No. 1 to the New DA (R2023-0369) increasing the amount of the Project Proceeds to \$140,000,000 and establishing Non-Eligible Costs; 4) Amendment No. 1 to the Second Restated SFUA (R2023-0370) providing for the option of Semi-Annual Use Fee Payments; and 5) a bond authorizing resolution in an amount not to exceed \$140,000,000. The debt service on the bonds will be repaid through Tourist Development Bed Taxes, State sales tax contribution of \$50,000,000 (\$2,000,000 per year for 25 years) under the Funding Agreement, and the Teams' annual use payment under the Second Restated SFUA. The County Bonds for the RDCS Renovation Project were sold on April 13, 2023. Amendment No. 2 to the Second Restated SFUA replaces and revises agreement Exhibit I "County / State Contributions to Annual Debt Service" to adjust the County's contribution to debt service in certain years since the debt service schedule on the County Bonds is now finalized after the bond sale. **These adjustments to Exhibit I do not change or affect the County's total contribution to debt service** that the County agreed to under the Second Restated SFUA, but merely conform Exhibit I to the final debt service schedule on the County Bonds. Amendment No. 2 also revises the definition of Annual Debt Service under the agreement to include fees associated with the payment of principal and interest on the bonds. This item has no fiscal impact. (FDO ADMIN) District 1/Countywide (MWJ)

Background & Justification: Continued on Page 3

Attachments:

1. Location Map
2. Amendment No. 2 to the Second Restated Sports Facility Use Agreement
3. Insurance Compliance Summary Report (4)

Recommended By: *Samir C. Ayal* Department Director 8/09/23 Date

Approved By: *W. Baker* County Administrator 8/11/23 Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2023	2024	2025	2026	2027
Capital Expenditures					
Operating Costs					
External Revenues					
Program Income (County)					
In-Kind Match (County)					
NET FISCAL IMPACT					
# ADDITIONAL FTE POSITIONS (Cumulative)	0				
Is Item Included in Current Budget:	Yes		<u>X</u>	No	
Does this item include use of federal funds?	Yes			No	<u>X</u>

Budget Account No: Fund 2081 Dept 810 Unit 7214 Object Various

B. Recommended Sources of Funds/Summary of Fiscal Impact:

There is no fiscal impact for this item. Funding for the project is from 34.55M NAV Pub Imp Rev Bonds, 23A, CP, RDJS Pro Fr Fac Proj Bonds issued on May 2, 2023. The debt service on the revenue bonds will come from the 1¹/₄th cent Bed Tax, State Contributions and the Use Fee under the Second Restated SFUA.

C. Departmental Fiscal Review: [Signature]

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development Comments:

[Signature] 7/14/23 OFMB MS 7/14/23 [Signature] 7/14/23 Contract Development and Control

B. Legal Sufficiency:

[Signature] 7-14-23 7/14/23 [Signature] 7/17/23 Assistant County Attorney for Michael Jones

C. Other Department Review:

[Signature]
Executive Director, Tourist Development Council

This summary is not to be used as a basis for payment.

Background and Justification: Under the New DA, as amended, the County committed to issuing County Bonds to fund the RDCS Renovation Project up to an amount that would result in \$140,000,000 in Project Proceeds. Under the Second Restated SFUA, the County's contribution for debt service on the County Bonds is capped at \$75,100,000 (which will be funded from the 1st/4th cent Bed Tax proceeds) with the State's contribution through the Funding Agreement capped at \$50,000,000. Under the Second Restated SFUA, JSL's annual use payment will be equivalent to the debt service on the County Bonds minus the aggregate value of the State and County contributions, \$50M and \$75.1M respectively. Under the New DA, on March 30, 2023, JSL requested that the County sell bonds in an amount such that the amount of Project Proceeds generated would be \$126,000,000. The County Bonds for the RDCS Renovation Project were sold on April 13, 2023, issued on May 2, 2023 and the debt service schedule finalized. Amendment No. 2 to the Second Restated SFUA replaces and revises agreement Exhibit I "County / State Contributions to Annual Debt Service" to adjust the County's contribution to debt service in certain years since the debt service schedule on the County Bonds is now finalized. **These adjustments to Exhibit I do not change or affect the County's total contribution to debt service that the County agreed to under the Second Restated SFUA (\$75,100,000), but merely conform Exhibit I to the final debt service schedule on the County Bonds.** Based on the finalized debt service schedule, the contributions under the Second Restated SFUA are:

County: \$75,100,000
State: \$50,000,000
JSL: \$80,020,215

Amendment No. 2 also revises the definition of Annual Debt Service under the agreement to include fees associated with the payment of principal and interest on the bonds (i.e. paying agent fees) so that a share of the paying agent fee is captured in JSL's annual use fee payment.

ATTACHMENT 1

Location Map



**AMENDMENT No. 2
TO THE SECOND RESTATED
SPORTS FACILITY USE AGREEMENT**

This is AMENDMENT NO. 2 (“Amendment”) dated _____, 2023 to the SECOND RESTATED SPORTS FACILITY USE AGREEMENT (R-2022-0521) dated May 17, 2022, as amended by the Addendum (R2023-0368) and by Amendment No. 1 (R2023-0370) both dated March 14, 2023 (the “Second Restated Use Agreement”) by and among Palm Beach County, a political subdivision of the State of Florida, by and through its Board of County Commissioners (the “County”), Jupiter Stadium, Ltd., a Florida limited partnership (the “Limited Partnership”), the St. Louis Cardinals, LLC, a Missouri limited liability company (the “Cardinals” or “Team”), and Marlins Teamco LLC, a Delaware limited liability company (the “Marlins” or “Team”). The Limited Partnership and the County, and, where the context so dictates, the Teams, are hereinafter sometimes referred to individually as a “Party” or collectively as the “Parties”.

RECITALS

WHEREAS, the County is the owner of Roger Dean Chevrolet Stadium, located at 4751 Main St, Jupiter, Florida (the “Facility”), constituting a professional sports franchise facility for joint spring training of two Major League Baseball teams as well as minor league affiliates, including a stadium, two-team training facilities, practice fields, clubhouses, dedicated on-site parking and other appurtenances and improvements intended to support spring training activities; and

WHEREAS, the initial funding and construction of the Facility was the result of a developer agreement (the “Original Developer Agreement”) and a use agreement (the “Initial Use Agreement”) between the County and the Limited Partnership, then a partnership between the Cardinals and the Expos (the Expos were subsequently replaced by the Marlins); and

WHEREAS, in 2011, the County and Limited Partnership restated and extended the Initial Use Agreement until April 30, 2027; and

WHEREAS, on May 17, 2022, the County’s Board of County Commissioners approved and executed a new Developer Agreement (R-2022-0520), as amended by Amendment No. 1 (R2023-0369) dated March 14, 2023 (the “New Developer Agreement”) for renovation of the Facility (such renovation, the “Renovation Project”) and the Second Restated Use Agreement, among the County, the Limited Partnership, the Cardinals and the Marlins, and also approved the submission of the County’s application to the State of Florida (“State”) Department of Economic Opportunity (DEO) for certification to receive state funding for the Renovation Project pursuant to section 288.11631, F.S.; and

WHEREAS, the New Developer Agreement, as amended, committed the County to provide funding for the Renovation Project through the issuance of an amount not to exceed \$140,000,000 million in 25-year County bonds (the “County Bonds”), the debt service on which will be provided from distributions received by the County from the State under 288.11631, F.S, from the tourism development tax, and from payments collected from the Limited Partnership under the Second Restated Use Agreement; and

WHEREAS, under the terms of the New Developer Agreement, the Limited Partnership requested on March 30, 2023 that the County sell County Bonds in an amount necessary to generate \$126,000,000 in Project Proceeds; and

WHEREAS, on April 13, 2023, the County sold County Bonds in the par amount of \$122,695,000 which, with premium/discount and costs, generated \$126,000,000 in Project Proceeds as requested by the Limited Partnership; and

WHEREAS, the Second Restated Use Agreement became effective upon April 13, 2023, the date of sale of the County Bonds and extends the use of the Facility by the Marlins and the Cardinals to April 30, 2049; and

WHEREAS, the parties hereto now desire to amend the Second Restated Use Agreement to provide an updated Exhibit I “County / State Contributions to Annual Debt Service” since the debt service schedule on the County Bonds is now finalized, and to modify the definition of “Annual Debt Service”.

NOW, THEREFORE, in consideration of the promises and of the mutual covenants hereinafter set forth and for such other good and valuable consideration, the receipt of which the parties hereto expressly acknowledge, the parties covenant and agree to the following terms and conditions:

1. Recitals. The foregoing recitals are incorporated herein by reference.

2. Second Restated Use Agreement Modifications and Additions. The following provisions of the Second Restated Use Agreement are modified as follows:

Under Article 2 “DEFINITIONS” the definition of “Annual Debt Service” is deleted in its entirety and replaced with the following:

“Annual Debt Service” the total principal and interest and fee payments due each year pursuant to the terms of the County Bonds.

Exhibit I is deleted in its entirety and replaced with the new Exhibit I attached hereto and incorporated herein.

3. Definitions. Any capitalized term not defined in this Amendment will have the same definition as used in the Second Restated Use Agreement.

4. Counterparts. Provided that all the parties hereto execute an original of this Amendment, this Amendment may be executed in counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

5. Integration and Merger. This Amendment, together with the Second Restated Use Agreement and the Operative Agreements (as that term is defined in the Second Restated Use Agreement), constitute the full and complete understanding among the parties as to the matters addressed herein.

There are no oral understandings, terms or conditions, and no party has relied on any representation, express or implied, not contained in this Amendment, the Second Restated Use Agreement and/or the Operative Agreements. All prior understandings, terms or conditions (including those set forth in this Amendment), whether with a party to this Amendment or any partner of a party, are deemed to merge in this Amendment, and this Amendment cannot be changed or supplemented except by an agreement in writing and signed by the parties to this Amendment.

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

IN WITNESS WHEREOF, the Board of County Commissioners of Palm Beach County, Florida has made and executed this Amendment on behalf of the County; an authorized official of the Limited Partnership has made and executed this Amendment on behalf of the Limited Partnership; and an authorized official of each Team has made and executed this Amendment on behalf of each Team.

ATTEST:
JOSEPH ABRUZZO, Clerk & Comptroller

PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS


By: _____
Deputy Clerk

By: _____
Mayor

APPROVED AS TO LEGAL SUFFICIENCY

APPROVED AS TO TERMS AND CONDITIONS

By: _____
County Attorney

By: 
Director - FD&O

WITNESS:

Jupiter Stadium, Ltd, a Florida limited partnership, by its General Partner: JS Stadium, Inc.

By: *MLJW*
Mike Whittle (Jun 28, 2023 07:41 CDT)
Witness Signature

Print Witness Name: Mike Whittle

By: *Daniel J Good*
Daniel J Good (Jun 28, 2023 08:31 EDT)

Name Printed: Daniel J Good

Title: Co-Chair

WITNESS:

St. Louis Cardinals, LLC, a Missouri limited liability company

By: *MLJW*
Mike Whittle (Jun 28, 2023 07:41 CDT)
Witness Signature

Print Witness Name: Mike Whittle

By: *Daniel J Good*
Daniel J Good (Jun 28, 2023 08:31 EDT)

Name Printed: Daniel J Good

Title: Co-Chair

WITNESS:

Jupiter Stadium, Ltd, a Florida limited partnership, by its General Partner: JS Stadium, Inc.

By: Frederick J Koczwarra
Witness Signature

Print Witness Name: Frederick Koczwarra

By: Caroline O'Connor
Caroline O'Connor (Jul 1, 2023 09:01 EDT)

Name Printed: Caroline O'Connor

Title: President

WITNESS:

Marlins Teamco LLC, a Delaware limited liability company

By: Frederick J Koczwarra
Witness Signature

Print Witness Name: Frederick Koczwarra

By: Caroline O'Connor
Caroline O'Connor (Jul 1, 2023 09:01 EDT)

Name Printed: Caroline O'Connor

Title: President

EXHIBIT I

**CONTRIBUTION SCHEDULE
COUNTY AND STATE CONTRIBUTIONS TO ANNUAL DEBT SERVICE**

Bond Year/	County Contribution	State Contribution
1	\$150,000	\$2,000,000
2	\$150,000	\$2,000,000
3	\$150,000	\$2,000,000
4	\$150,000	\$2,000,000
5	\$150,000	\$2,000,000
6	\$150,000	\$2,000,000
7	\$150,000	\$2,000,000
8	\$150,000	\$2,000,000
9	\$150,000	\$2,000,000
10	\$1,650,000	\$2,000,000
11	\$4,901,500	\$2,000,000
12	\$4,901,500	\$2,000,000
13	\$4,901,500	\$2,000,000
14	\$4,901,500	\$2,000,000
15	\$4,901,500	\$2,000,000
16	\$4,901,500	\$2,000,000
17	\$4,901,500	\$2,000,000
18	\$4,901,500	\$2,000,000
19	\$4,900,000	\$2,000,000
20	\$4,666,625	\$2,000,000
21	\$4,666,875	\$2,000,000
22	\$4,663,875	\$2,000,000
23	\$4,662,000	\$2,000,000
24	\$4,665,375	\$2,000,000
25	\$4,663,250	\$2,000,000
TOTAL	\$75,100,000	\$50,000,000

ATTACHMENT 3
INSURANCE COMPLIANCE SUMMARY REPORT (4)



**Palm Beach County
Compliance Summary Report**

Vendor Number	Vendor Name	AM Best Rating	Insurance Carrier	Policy #	Eff. Date	Exp. Date	Coverage	Contract Number	Contract Name
DX00002178	Jupiter Stadium Limited	Modified	Compliant						Roger Dean Stadium
		A , XV	Starr Indemnity & Liability Company	1000692498231	2/1/2023	2/1/2024	Auto Liability		
		A , XV	Starr Indemnity & Liability Company	1000589690231	2/1/2023	2/1/2024	Excess Liability		
		A , XV	Starr Indemnity & Liability Company	1000100100231	2/1/2023	2/1/2024	General Liability		
		A , XV	Starr Indemnity & Liability Company	1000100102231	2/1/2023	2/1/2024	General Liability		
		A++g , XV	Indemnity Insurance Company of North America	WLRC68928412	2/1/2023	2/1/2024	Workers Comp		

Risk Profile : Standard - General Services
Required Additional Insured : Palm Beach County Board of County Commissioners
Ownership Entity :



**Palm Beach County
Compliance Summary Report**

Vendor Number	Vendor Name	AM Best Rating	Insurance Carrier	Policy #	Eff. Date	Exp. Date	Coverage	Contract Number	Contract Name
DX00002317	Jupiter Stadium Limited	Modified A++r , XV	Compliant Shared Risk Coverage	Shared Risk	2/1/2023	2/1/2024	Property Coverage		Roger Dean Stadium

Risk Profile : Standard - Construction Services
Required Additional Insured : Palm Beach County Board of County Commissioners
Ownership Entity :



**Palm Beach County
Compliance Summary Report**

Vendor Number	Vendor Name	AM Best Rating	Insurance Carrier	Policy #	Eff. Date	Exp. Date	Coverage	Contract Number	Contract Name
DX00002179	ST. LOUIS CARDINALS LLC	Modified	Compliant						Roger Dean Stadium
		A , XV	Starr Indemnity & Liability Company	1000692527231	2/1/2023	2/1/2024	Auto Liability		
		A , XV	Starr Indemnity & Liability Company	1000589690231	2/1/2023	2/1/2024	Excess Liability		
		A , XV	Starr Indemnity & Liability Company	1000100100231	2/1/2023	2/1/2024	General Liability		
		A++g , XV	Indemnity Insurance Company of North America	WLRC68929179	2/1/2023	2/1/2024	Workers Comp		

Risk Profile : Standard - General Services
Required Additional Insured : Palm Beach County Board of County Commissioners
Ownership Entity :



**Palm Beach County
Compliance Summary Report**

Vendor Number	Vendor Name	AM Best Rating	Insurance Carrier	Policy #	Eff. Date	Exp. Date	Coverage	Contract Number	Contract Name
DX00002164	MARLINS TEAMCO LLC	Modified	Compliant						Roger Dean Stadium
		A , XV	Starr Indemnity & Liability Company	1000692521231	2/1/2023	2/1/2024	Auto Liability		
		A , XV	Starr Indemnity & Liability Company	1000589690231	2/1/2023	2/1/2024	Excess Liability		
		A , XV	Starr Indemnity & Liability Company	1000100100231	2/1/2023	2/1/2024	General Liability		
		A++g , XV	ACE Fire Underwriters Insurance Company	SCFC68928291	2/1/2023	2/1/2024	Workers Comp		
		A++g , XV	Indemnity Insurance Company of North America	WLRC68928217	2/1/2023	2/1/2024	Workers Comp		

Risk Profile : Standard - General Services

Required Additional Insured : Palm Beach County Board of County Commissioners

Ownership Entity :