

The Honorable Carlos A. Gimenez
Miami Heat Item Presentation to Board of County Commissioners
Miami-Dade County Board of County Commissioners
June 3, 2014

*****Remarks as prepared for delivery *****

MIAMI-DADE COUNTY CONTINUES TO EMERGE AS A TOP CENTER FOR SPORTS, ARTS AND CULTURE, LEARNING AND RECREATION. AS SUCH, OUR RESIDENTS AND VISITORS HAVE COME TO EXPECT THE VERY BEST IN SPORTS AND RECREATION CHOICES. TODAY WE HAVE AN OPPORTUNITY TO SECURE THE PRESENCE OF OUR WORLD RENOWNED NBA FRANCHISE, THE MIAMI HEAT.

IN JANUARY OF THIS YEAR, YOU ASKED MY ADMINISTRATION TO NEGOTIATE AN EXTENSION TO THE CURRENT OPERATING AGREEMENT AT THE AMERICAN AIRLINES ARENA. WHAT YOU HAVE BEFORE YOU IS THE RESULT OF OUR NEGOTIATIONS WITH THE MIAMI HEAT REGARDING THEIR CONTRACT EXTENSION. THROUGHOUT THE MONTHS OF MEETINGS AND NEGOTIATIONS, WE WERE GUIDED BY THE PRINCIPLE OF ENSURING THAT TAXPAYERS ARE AS PROTECTED AS POSSIBLE, AND THAT PROPOSALS OR DEALS WILL NOT BE DONE AT A DETRIMENT TO THE TAXPAYERS OF OUR COMMUNITY.

THE AGREEMENT BEFORE YOU DOES JUST THAT.

IT RECOGNIZES THE VALUE OF KEEPING THE HEAT IN OUR COMMUNITY WHILE HONORING OUR ULTIMATE RESPONSIBILITY OF PROTECTING THE TAXPAYERS.

PLEASE ALLOW ME TO POINT OUT SOME HIGHLIGHTS OF THIS AGREEMENT:

- MIAMI-DADE COUNTY AND THE MIAMI HEAT WILL SHIFT FROM THE CURRENT PROFIT SHARING AGREEMENT TO ONE THAT GUARANTEES A FIXED FEE TO THE COUNTY.
- MIAMI-DADE COUNTY WILL RECEIVE A \$1 MILLION A YEAR FEE RETROACTIVE TO JULY 1, 2013.

THE YEARLY FEE WILL BE ALLOCATED TO THE PARKS, RECREATION, AND OPEN SPACES DEPARTMENTS, WHICH RUNS MANY OF OUR PROGRAMS THAT BENEFIT OUR COMMUNITY'S YOUTH.

- THE NEW CONTRACT CREATES A CERTAINTY OF PAYMENT, REPLACING THE UNCERTAINTY OF THE CURRENT PROFIT SHARING PAYMENT FORMULA.

- UNDER THE CURRENT CONTRACT, THE MIAMI HEAT HAS PAID MIAMI-DADE COUNTY A LITTLE OVER \$257,000 IN THE 14 YEARS OF OPERATION OF THE AMERICAN AIRLINES ARENA.
- IN ONE YEAR UNDER THE NEW CONTRACT, WE WILL RECEIVE NEARLY FOUR TIMES THE AMOUNT WE RECEIVED THROUGHOUT THE ENTIRE SPAN OF THE OLD CONTRACT.
- THE MIAMI HEAT WILL PAY APPROXIMATELY \$81 MILLION TOWARD THE MAINTENANCE OF THE AMERICAN AIRLINES ARENA, ENSURING THAT IT REMAINS A VIABLE FACILITY UNTIL 2035. WE ALL REMEMBER THAT BECAUSE OF A LACK OF MAINTENANCE AND OTHER ISSUES, THE OLD MIAMI ARENA BECAME FUNCTIONALLY OBSOLETE IN A LITTLE OVER A DECADE.

FINALLY, LET ME ADD THAT THE MIAMI HEAT IS A VALUED MEMBER OF OUR COMMUNITY. THE ORGANIZATION SUPPORTS NUMEROUS CHARITABLE CAUSES AND IS A SOURCE OF PRIDE IN MIAMI-DADE.

AND, THEY WILL BE MAKING THEIR FOURTH CONSECUTIVE APPEARANCE IN THE NBA FINALS, A FEAT ACHIEVED BY VERY FEW FRANCHISES IN THE NBA'S HISTORY.

BY VOTING TO APPROVE THIS AGREEMENT, WE HAVE AN OPPORTUNITY TO ENSURE THE MIAMI HEAT WILL CALL MIAMI-DADE COUNTY HOME UNTIL 2035.

MADAME CHAIR, I STAND READY TO ANSWER ANY QUESTIONS YOU MAY HAVE ON THIS ITEM.

