



*The Honorable Mayor Carlos A. Gimenez
Miami Dolphins Performance Based Grant Agreement Remarks
June 17, 2014
Board of County Commissioners, Miami-Dade County, Florida*

**** remarks as prepared for delivery ****

Of the major sports franchises that call Miami-Dade County home, none has a longer history with us than the Miami Dolphins. The Dolphins have been our NFL team for over 40 years, and have a long brought football joy to our community, including our longstanding record of having the only perfect season ever in NFL history!

I think it's safe to say that at some point in our lives, we all have memories of watching the Dolphins play and we want to make sure future generations can share in these same memories.

Today you have for your consideration a Performance Based Marquee Grant Agreement that will help keep the Miami Dolphins as our NFL franchise for the next 30 years. The agreement is based on the same principles that have guided our negotiations in other sports agreements: ensuring that taxpayers are protected, and that proposals or deals will not be done at a detriment to the taxpayers of our community.

This agreement does this.

Let me share with you some of the unique and innovative ways in which this agreement is structured.

As the title clearly states, this is a "Performance Based" agreement that provides incentives to South Florida Stadium, LLC to take the necessary steps to host major tourist generating events at Sun Life Stadium – Marquee Events. These are the types of events that greatly benefit our local economy and enhance Miami-Dade County's brand throughout the nation and the world.

To best protect the interest of Miami-Dade County, all these incentives are performance based. In other words: no major event, no funds – it's just that simple.

Additionally, the grants cannot go above \$5 million per year and are payable solely from certain Convention Development Tax funds, when available. And let me be clear - no General

Fund monies will ever be at risk. Let me repeat that, no General Fund monies will ever be at risk.

Also, because a decision on the first payment can be made in 2024 – ten years from now - this agreement is unrelated to the FY 13-14 budget.

The Dolphins firmly believe that Sun Life Stadium needs major modernization in order to continue to attract major sporting events. The stadium is the largest, single-location venue for sporting events and other public gatherings within the County and serves a public purpose. Marquee events such as the Super Bowl or a College Championship Football game, if they are to be held in South Florida, can only be hosted at Sun Life Stadium. These large events spur significant tourist related economic activity, generate exceptional media exposure and help brand Miami-Dade County as a national and international hub for sports and entertainment.

Under the Incentive Grants Payment arrangement, the County will grant Stadium LLC payments based on the beneficial impact of the qualifying events. For example, a Super Bowl or World Cup final is worth more than a college football semi-final game. A list of events is contained in the memorandum that accompanies this item.

Let me also emphasize that payments for events will be made based on the availability of CDT revenues to make grant payments in any contract/fiscal-year, after meeting all of the County's obligations payable from CDT. The County can also elect to defer grant payments from Available Funding during the Initial Phase period from the Qualification Date to September 30, 2024 – or for another ten years. This option allows the County to build up the Convention Development Tax shortfall reserve.

The grants earned and payable for such contract / fiscal year during the initial phase may be paid up to nine years following the year in which the grant is earned, again, subject to Available Funding. And I want to clearly explain “available funding.” The County's commitment under this Grant Agreement is limited at all times to Available Funding, which are the CDT dollars available after we pay all of our Senior CDT obligations. After we make payment of the grant amount that is due to the Dolphins in any given year, excess funds can be deposited into the County CDT shortfall reserve, or spent for any other eligible CDT activity. A list of the Senior CDT Obligations is part of the attachments.

Lastly, and of great importance, as a matter of policy, Stadium LLC has agreed to certain Small Business Enterprise goals, including using South Florida Workforce to recruit workers and other efforts to ensure minority business participation.

In sum, this Agreement protects Miami-Dade County taxpayers while helping to keep the Miami Dolphins in our community. It places the burden on the Dolphins organization to deliver results --- No major events, no funds. Again, payments cannot go above \$5 million per year and are payable solely from certain Convention Development Tax funds if available after all senior

obligations are met. And I cannot repeat this enough, no General Fund monies will ever be at risk.

Commissioners, I believe we have negotiated the best possible agreement with the Miami Dolphins and I urge your support for this item.

Thank you and now we stand ready for any questions you may have.

