

2010 Annual Report



Gateway Economic Development
Corporation of Greater Cleveland
758 Bolivar
Cleveland, OH 44115

Gateway Economic Development Corporation of Greater Cleveland



JULY 2010

Dear Citizens of Cuyahoga County,

It is with pride and accomplishment that we provide you with our annual report for 2010. Gateway Economic Development Corporation of Greater Cleveland (Gateway) is now 20 years old. This non-profit entity was formed in 1990 for the purposes of financing, building, operating and owning the Gateway Sports Complex in downtown Cleveland. This was made possible through the support of the voters of Cuyahoga County by approving a 15-year excise tax on alcohol and tobacco sales in the county in May of 1990.

As a result, Gateway now owns Quicken Loans Arena, Progressive Field and common areas including Gateway Plaza along Ontario Avenue.

It is remarkable to consider how far we have come since 1990, when many good people in our city and county stepped up to support the vital campaign to preserve major league baseball in Cleveland and to bring NBA basketball back downtown.

That successful campaign was, of course, dependent on the considerable and continued support from residents of Cuyahoga County, through the original May 1990 vote and financing support from our public partners, including the State of Ohio, Cuyahoga County and the City of Cleveland.

Our fans can follow their professional baseball and basketball teams in two first-class sports venues: Progressive Field, which has already hosted two World Series and an All-Star game; and Quicken Loans Arena, which has hosted a NBA Finals and an All-Star game.

While all of greater Cleveland shares in the ownership and the pride of these two high-quality facilities, we are also pleased that Gateway's lease agreements with the Cleveland Indians and the Cleveland Cavaliers were renegotiated in 2004. The new, longer and more favorable terms facilitate Gateway's ability to continue as the good steward it has been of these two tremendous buildings.

The leases with the Indians (which expires in 2023) and the Cavaliers (which expires in 2026) require the teams to pay for all of the operating and maintenance costs for their respective facilities, plus the costs of operating the Gateway Sports Complex.



Gateway's responsibilities – funded through a budget financed by the teams – include common area maintenance, insurance, security and oversight of the maintenance, and capital repairs of the ballpark and arena. This ensures that the facilities are maintained and continually upgraded to preserve their long-term viability.

As a result, the ballpark and the arena are today in very good condition. They will continue to be maintained aggressively and thoroughly as they have been since they opened in 1994. Major capital needs will eventually arise, and Gateway has asked the city and county to provide funding, since they ultimately will own these community assets.

Since 1994, more than 60 million tickets have been sold for sporting events, concerts and shows at Gateway. The complex – constructed in what had been a blighted part of town – has proven to be a rejuvenating economic force. It has generated jobs and millions of dollars in tax revenues for our local governments. On game nights, the area around Gateway is buzzing with activity in nearby restaurants, hotels, taverns and other downtown businesses.

We are pleased to share this report with you. Our community can be proud that Cleveland has such a superlative major league sports complex that complements our city's other great attractions and cultural institutions.

Respectfully,



William J. Reidy
CHAIR



Todd Greathouse
EXECUTIVE DIRECTOR



Gateway's Mission

The Gateway Sports Complex is a year-round customer service complex dedicated to providing and maintaining a safe, clean and friendly atmosphere to our tenant, guests, fans, employees, workers and visitors. Our staff is committed to delivering unparalleled customer service in an efficient, courteous, and professional manner.





Progressive Field

**CHANGED TO
PROGRESSIVE FIELD
PRIOR TO OPENING
DAY 2008.**

Interesting Facts

Progressive Field is home of the Cleveland Indians, an American League team. Located in downtown Cleveland, Ohio, the facility joins Quicken Loans Arena as part of the Gateway Sports and Entertainment Complex. *Sports Illustrated* ranked Progressive Field as one of major league baseball's best ballparks in 2008.

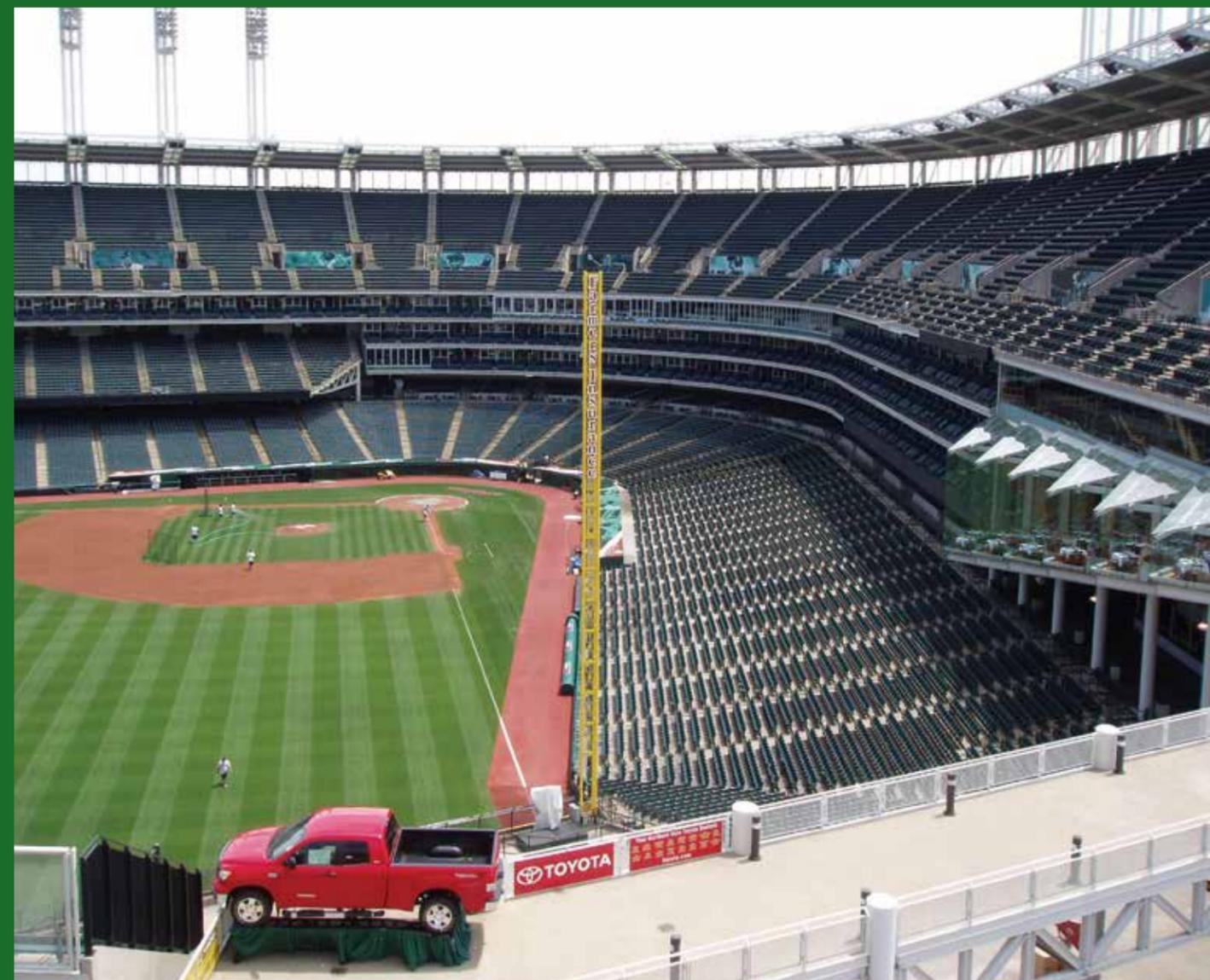
1994 The new home of the Cleveland Indians opens – Jacobs Field.

1994 In April, the Indians play their first game at the new stadium.

1997 Two sections of seating were added before opening day, increasing capacity to 43,345.

2008 In January, naming rights to the park are purchased by Progressive Corporation.

2008 In August, the Indians add 10 years to their lease agreement, extending it from 2013 to 2023. The agreement with the Gateway Economic Development Corp., also gives the team four five-year renewal options after 2023.





Interesting Facts

The groundbreaking of Quicken Loans Arena in April 1992 was a first for the country. Two sports facilities, then Gund Arena and Jacobs Field, were constructed simultaneously on the same site. Today's Quicken Loans arena, known as "The Q," took two and a half years to build, and its doors officially opened to the public on October 17, 1994.

The Q is home of National Basketball Association's Cleveland Cavaliers, the AHL's Lake Erie Monsters, and the Mid-American Conference (MAC) Men's & Women's Championship Tournaments.

Seating capacity is 20,500.

Making ice for hockey and figure skating takes about 22 hours and involves freezing one inch of ice and painting the surface. Switching from an ice hockey rink to basketball court takes three hours and is accomplished by constructing a subfloor.

The arena is 75,000 square feet.

In the late 1800s, Cleveland's Central Market area, where Quicken Loans Arena stands today, was the center of the city – a residential neighborhood and busy bazaar just a few blocks from the growing commercial district of Public Square. The Central Market area was destroyed by fire and never restored.

Gateway is the heart of downtown Cleveland, a 28-acre sports and entertainment complex comprised of Quicken Loans Arena, Progressive Field and Gateway Plaza.



Quicken Loans Arena

**HOSTS CLOSE TO
2 MILLION PEOPLE
WHO ATTEND
APPROXIMATELY
200 EVENTS**



Financials



Gateway Economic Development Corporation of Greater Cleveland

Statements of Receipts and Expenditures

For the Year Ended December 31, 2009

(Operations Only)

Operating Receipts - Rent Paid by Teams	<u>\$3,245,533</u>
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Total Operating Receipts	\$3,245,533
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Operating Expenditures

Administration	\$ 298,321
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Common Area Site Maintenance	\$ 639,369
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Common Area Site Security	\$ 740,168
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D & O Insurance	\$ 25,865
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General Liability Insurance	\$ 84,812
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Professional Fees	\$ 82,405
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Property Tax	\$1,041,853
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Business Improvement District Assessments	\$ 104,679
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Parking for Employees (of Teams)*	<u>\$ 228,061</u>
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Total Operating Expenses	\$3,245,533
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Income/(Loss) From Operations	<u>\$ 0</u>
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* Under provisions of the lease Agreement, Gateway is to provide parking for the teams employees, which is paid for by the teams





Board Members

William Reidy
Chairman

James McCafferty
Administrator
Cuyahoga County

Timothy Offtermatt
Senior Vice President
Stifel Nicolaus

Anthony C. Peebles
Agent
State Farm Insurance

Tracey Nichols
Director of the Department
of Economic Development
City of Cleveland

LEGAL REPRESENTATION

Dennis Wilcox
Attorney
Climaco, Wilcox, Peca,
Tarantino & Garofoli, Co., LPA

ADMINISTRATIVE STAFF

Todd Greathouse
Executive Director

Brian Kelly
Controller

Daniella Nunnally
Operations Coordinator

