

# 2014 ANNUAL REPORT

Gateway Economic Development Corporation of Greater Cleveland



# DEAR CITIZENS OF CUYAHOGA COUNTY,



Dear Citizens of Cuyahoga County,

It is with pride that we provide you with our annual report for 2014.

Gateway Economic Development Corporation of Greater Cleveland (Gateway) was formed in 1990 by the City of Cleveland and Cuyahoga County, for the purposes of financing, building, owning and operating the Gateway Sports Complex in downtown Cleveland.

Gateway owns Quicken Loans Arena, Progressive Field and surrounding common areas including Gateway Plaza along Ontario Avenue.

Gateway's lease agreements with the Cleveland Indians and the Cleveland Cavaliers - as revised and extended in 2004 and 2007 - facilitate Gateway's ability to continue as a good steward of these two tremendous buildings, as it has been for a generation.

The leases with the Indians and the Cavaliers require the teams to pay for operating and maintenance costs of their respective facilities, much of the capital repair costs, as well as all of the cost of operating the Gateway Corporation. Gateway's responsibilities - pursuant to a budget agreed upon annually with the teams and financed by team rental payments - includes common area maintenance, insurance, security and oversight of the maintenance and capital repairs of the ballpark and the arena; ensuring that Gateway's facilities are maintained to guarantee their long-term viability.

As a result, the ballpark and the arena are in excellent condition today. They will continue to be maintained aggressively and thoroughly, as they have been since they opened in 1994. Major capital needs (those costing over \$500,000 generally) have started to be addressed by the Board of Trustees with the November 2014 approval of approximately \$23 million of repairs identified at Quicken Loans Arena. Under the team leases, the responsibility for those major capital repairs is Gateway's. In 2012 Gateway's Board of Trustees enacted a policy governing the management of procedures



related to teams' requests for the funding of major capital repair items. The Policy provides for rigorous Gateway review of such requests and collaboration with our public stakeholders, the City of Cleveland and Cuyahoga County, regarding the treatment of each request. That process is occurring successfully at this time.

Since 1994, nearly 80 million tickets have been sold for sporting events, concerts and shows at Gateway. Constructed in what had been a blighted part of downtown Cleveland, the complex has proven to be a rejuvenating economic catalyst. It has generated jobs, a new residential Gateway neighborhood, as well as millions of dollars in tax revenues for our local governments. On game nights, the area around Gateway is abuzz with activity in nearby restaurants, hotels, taverns and other downtown businesses. The Gateway complex will serve as the focal point for Cleveland's hosting of the Republican National Convention in July 2016. Considerable preparation is currently underway in advance of this watershed event for the region!

It is our pleasure to share this report with you. We can all be proud that Cleveland and Northeast Ohio have such an excellent major league sports complex that complements our City's other great attractions and cultural institutions.

Respectfully,

Timothy P. Offtermatt  
CHAIR

Todd Greathouse  
EXECUTIVE DIRECTOR



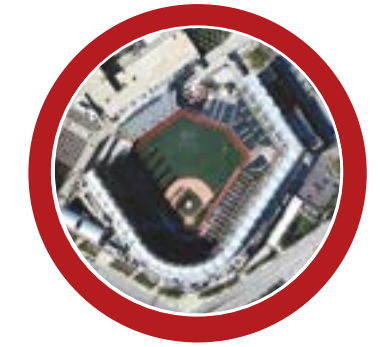
## GATEWAY'S MISSION

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





# CLEVELAND INDIANS 2014 SEASON



## PROGRESSIVE FIELD

The 2014 Cleveland Indians season was the 114th season for the franchise. They finished in third place, five games back in the Central Division.

**March** On March 31, umpire Mike Winters became the first umpire to initiate a review under Major League Baseball's new replay system in an effort to confirm that Athletics catcher John Jaso did not block the plate unnecessarily as Michael Brantley attempted to score.

**June** On June 9, Lonnie Chisenhall became the first player to go 5-5 with 3 HR and 9 RBI since MLB began tracking RBI in 1920. The 9 RBI tied a franchise record, also accomplished by Chris James in 1991.

**April** On April 10, Danny Salazar became the first pitcher in the modern era (since 1900) to record 10 strikeouts before the end of the fourth inning of a game.

**September** On September 26, the Indians set a major league record for strikeouts by pitchers with 1,431, breaking the mark set by the 2013 Detroit Tigers. They ended the season with 1,450.

On April 24, Corey Kluber became the first Indians pitcher to throw a complete game with 11+ strikeouts, 0 walks, and 0 earned runs since Len Barker's perfect game on May 15, 1981.

**November** On November 12, Corey Kluber became the 4th Indians pitcher to win the American League Cy Young Award.

**May** On May 4, George Kottaras became the first player in franchise history to hit home runs in his first two at-bats as an Indian.

On May 14, David Murphy and Lonnie Chisenhall both had 5 hits, the first time two Indians players had done so in the same nine-inning game since 1928.

On May 21, the Indians defeated the Detroit Tigers 11-10 in 13 innings on a walk-off balk, the first one in the majors since July 4, 2011, and the first in extra innings since June 16, 2011.

Corey Kluber recorded 60 strikeouts in May, the first Indians pitcher with 60+ strikeouts in a month since Dennis Eckersley in September 1976.

## BURN IT DOWN TOUR

Friday, July 18th 2014 – Jason Aldean brought the "Burn It Down" tour to Progressive Field. 40,500 people packed Progressive Field to see the country star as well as Miranda Lambert, Florida Georgia Line and Tyler Farr perform.



Information Source: [https://en.wikipedia.org/wiki/2014\\_Cleveland\\_Indians\\_season](https://en.wikipedia.org/wiki/2014_Cleveland_Indians_season)





## QUICKEN LOANS ARENA

## THE Q

The Quicken Loans Arena is the home of the Cleveland Cavaliers of the National Basketball Association (NBA), the Lake Erie Monsters of the American Hockey League (AHL), the Cleveland Gladiators of the Arena Football League (AFL), and the Mid-American Conference (MAC) Basketball Tournaments.

It also hosts premier world class shows and events. In 2014, The Quicken Loans Arena brought the following shows and concerts to Cleveland:

### LARGE SCALE PRODUCTIONS

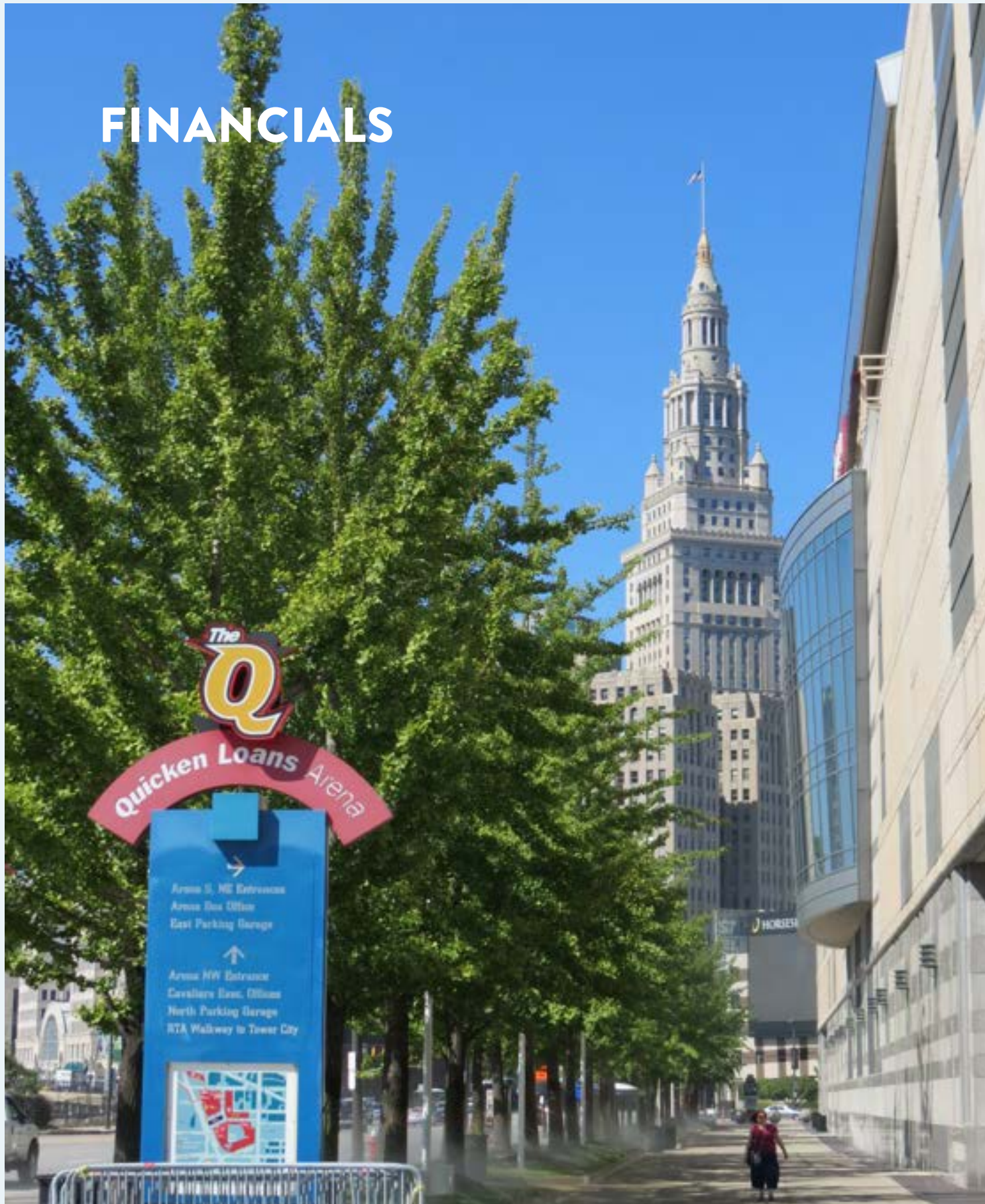
- 16 Disney on Ice shows
- 4 Monster Jam shows
- The Moondog Coronation Ball
- 10 circus shows
- WWE Raw
- 2 Trans-Siberian Orchestra shows
- Scott Hamilton & Friends Ice show

### CONCERTS

- Jay Z
- Arcade Fire
- Chelsea Handler
- Demi Lovato
- Billy Joel
- Cher
- Lady Gaga
- Bruno Mars
- GG9 Opening Ceremonies
- Katy Perry
- The Black Keys
- Eric Church
- Usher
- Bob Seger



# FINANCIALS



# GATEWAY ECONOMIC DEVELOPMENT CORPORATION OF GREATER CLEVELAND

## Statements of Receipts and Expenditures <sup>(1)</sup> For the Year Ended December 31, 2014 (Operations Only)

Operating Receipts - Rent Paid by Teams	<u>\$3,837,963</u>
Total Operating Receipts	\$3,837,963

### Operating Expenditures

Administration	\$358,892
Common Area Site Maintenance	\$793,351
Common Area Site Security	\$786,993
D & O Insurance	\$25,552
General Liability Insurance	\$84,982
Professional Fees	\$124,532
Property Tax	\$1,505,290
Business Improvement District Assessments	\$126,556
Parking for Employees (of Teams) <sup>(2)</sup>	<u>\$31,815</u>
Total Operating Expenses	\$3,837,963
Income/(Loss) From Operations	<u>\$ 0</u>

<sup>(1)</sup> The foregoing financial report is compiled from internal information. For review of Gateway's audited financial information please refer to the Ohio Auditor's website.

<sup>(2)</sup> Under provisions of the lease Agreement, Gateway is to provide parking for the teams' employees, which is paid for by the teams.





## BOARD MEMBERS

### **Timothy Offermatt**

Chairman  
Senior Vice President  
Stifel Nicolaus

### **Matt Carroll**

Chief of Staff  
County Executive Ed FitzGerald's Office

### **William Reidy**

Retired

### **Emanuel Glover (City)**

Senior Vice President Director  
of Community Development Banking  
First Merit Bank

### **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

### **Joseph Amberik**

Ballpark Manager

### **Jessica Glover**

Office Manager





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