

**GATEWAY ECONOMIC DEVELOPMENT CORPORATION  
OF GREATER CLEVELAND  
BOARD OF TRUSTEES MEETING AGENDA**

Wednesday, May 17th, 2023 @ 11:00 am

- I. **Minutes:**
  - a. Review Minutes from February 15, 2023
  - b. Approval of Minutes
  
- II. **Public Comments:**
  
- III. **Board Chairman Comments:** Ken Silliman
  
- IV. **Executive Director Report:** Todd Greathouse
  - a. Ballpark Improvement Project Update
  - b. Gateway Site: Plaza Paver Removal
  - c. Overview of Major Capital Requests
  
- V. **Lower Bowl Seating Update:** Daniella Nunnally
  
- VI. **Guardians Major Capital Requests**
  - a. Progressive Field Seats Phase II
  - b. Ballpark Major Capital Repair Identification
  
- VII. **Cavaliers Major Capital Requests**
  - a. Vertical Transportation
  - b. Control Room
  
- VIII. **Cavaliers Alteration Resolution**
  - a. Event Level Renovations
    - i. Resolution 2023-3
  
- IX. **Gateway Operations Summary** – Paul Valvoda
  
- X. **Next Board Meeting:**
  - a. Wednesday, August 9<sup>th</sup> at 11:00am
  - b. Wednesday, August 30<sup>th</sup> at 11:00am



**GATEWAY ECONOMIC DEVELOPMENT  
CORPORATION OF GREATER CLEVELAND**

**Minutes of a Meeting of the  
Board of Trustees**

**Held on February 15, 2023  
11:00 o'clock a.m.**

**Offices of  
Climaco, Wilcox, Peca & Garofoli Co., L.P.A.  
55 Public Square, Suite 1950  
Cleveland, Ohio**

There being a quorum present, Mr. Silliman called the meeting to order at approximately 11:00 a.m. Board members Ken Silliman, Matt Carroll, Davida Russell, and Ron King were present. Board member Ahmed Abonamah was absent due to the City budget hearings. Also present from Gateway were Todd Greathouse (by phone), Daniella Nunnally, Paul Valvoda and Samantha Catron, as well as Dennis Wilcox and Scott Simpkins as Gateway's General Counsel. Also present was Gateway's Engineering Consultant David Faller. Present from the Guardians were Neil Weiss, Rich Dorffer, Joseph Znidarsic, Max Kosman, Miranda Burt and Alex King. Present from the Cavaliers was Timm Naso. Present from the public was William Tarter.

Mr. Silliman, as Chairman, opened the meeting and asked for approval of the Minutes of the November 16, 2022 meeting. Upon motion made by Mr. King, and seconded by Ms. Russell, the Minutes were approved 4-0.

Mr. Silliman then asked if there were any public comments. Mr. Tarter indicated he had two questions. First, he asked whether it would be possible to make the Board packet materials available to the public earlier. Mr. Simpkins explained that until the Board packet materials are presented to the Board members, the materials are in draft format and Gateway does make the materials available to the public until they are final. Mr. Wilcox confirmed that this process is consistent with the Gateway procedures. Mr. Tarter inquired as to the anticipated cost of the lower seating project in light of the projections contained in the 2017 Facilities Conditions Assessment. Mr. Silliman responded that the project cost is expected to be paid over several years and the key to the recent increase in anticipated project cost will be discussed in further detail as an agenda item during the Board meeting.

Mr. Silliman then stated that he would defer his Chairman comments and turned the meeting over to Mr. Greathouse and Ms. Nunnally for the Executive Director Report.

Ms. Nunnally started the Executive Director report by noting that Mr. Greathouse was attending the Board meeting telephonically because he is sick but was available for any questions the Board may have. Ms. Nunnally then introduced Mr. Simpkins to provide a brief update on the status of the State of Ohio \$30 million grant awarded as part of the Guardians lease negotiations and term sheet. Mr. Simpkins reminded the Board members that during the negotiations of the Guardians lease extension, the State of Ohio Governor Mike Dewine committed to ask the State legislature to provide a \$30 million contribution to capital repairs to the Ballpark by virtue of certain grant funding. The grant was recently funded by the State of Ohio by passage of HB 66 and the Ohio Facilities Construction Commission would be administering the grant. The grant is a reimbursement grant; meaning that the OFCC will reimburse fifteen percent of Gateway expenditures for capital facility projects at the Ballpark. Mr. Simpkins noted that Gateway and Guardians staff had received the Grant Submittal Form from the OFCC and hoped to submit the Form with the OFCC sometime early next week, at which time a Cooperative Use Agreement will be negotiated between Gateway and the OFCC. Upon execution of the Cooperative Use Agreement, Gateway should begin submitting reimbursement requests to the OFCC. Mr. Wilcox noted that the funds received pursuant to the grant will be held by the Ballpark Improvement Fund Trustee in a segregated Capital Repairs Fund account.

Ms. Nunnally then turned the presentation over to Mr. Faller for an update on the Building Automation System project. Mr. Faller stated that the contractor is currently pulling cable, installing lighting controllers, and finalizing shop drawings. The contractor will soon begin work in the Ballpark suites and work on the project will continue until the start of the 2024 MLB season. Throughout its work, the contractor will also be coordinating its work with the contractors performing the Ballpark Improvement Project. Mr. Faller then stated with regard to the Sunscreen Replacement project, the old sunscreens had been removed and the new sunscreen panels were received on Friday and installation will begin on Monday with the project to be complete before the 2023 opening day, assuming no weather complications arise.

Ms. Nunnally then introduced Mr. Weiss to discuss the Guardians request for approval of an alteration agreement between Gateway and the Guardians in connection with the Guardians' construction of a Fanatics Sportsbook in the Ballpark. Mr. Weiss stated that the Guardians obtained a Class B license to permit it to install a gambling sportsbook facility in the Ballpark similar to the sportsbook facility installed in the Rocket Mortgage Fieldhouse by the Cavaliers. He noted that the Guardians Sportsbook partner is Fanatics and the Ballpark sportsbook would be located in the small area currently used as the New Era ball cap shop off of E. 9<sup>th</sup> Street. Mr. Weiss did advise the Board members that the Ballpark sportsbook would be much smaller than the RMFH Caesars sportsbook, consisting of a 550 square foot facility with a couple kiosks and tables as opposed to the large facility at the RMFH. He also noted that an alteration agreement was negotiated between Gateway and the Guardians and a copy of the alteration agreement was included in the Board package materials. Mr. Silliman then mentioned that the sportsbook is an alteration under the Guardians lease and, therefore, the Guardians pay all the costs for the construction and renovation of the sportsbook facility. Mr. Carroll asked whether the public would have access to the sportsbook without purchasing a ticket to the baseball games and Mr. Weiss confirmed that the public could enter the sportsbook facility without purchasing a ticket to the ball games but that the exact hours of operation of the sportsbook facility were still be worked out. Hearing no further questions, Mr. Silliman introduced Resolution No. 2023-1 for

the Board's consideration authorizing and approving an agreement between Gateway and the Guardians with respect to the Fanatics Sportsbook Alteration Agreement. Based on the presentation and motion by Mr. Carroll and seconded by Ms. Russell, the following Resolution 2022-1 was approved unanimously 4-0 by the Board:

RESOLUTION NO. 2023-1

AUTHORIZING AND APPROVING AN AGREEMENT  
WITH RESPECT TO ALTERATIONS  
BETWEEN GATEWAY ECONOMIC DEVELOPMENT  
CORPORATION OF GREATER CLEVELAND AND  
CLEVELAND GUARDIANS BASEBALL COMPANY LLC

WHEREAS, Gateway Economic Development Corporation of Greater Cleveland ("Gateway") has entered into an Amended and Restated Lease Agreement dated as of January 1, 2022 (the "Lease Agreement") with the Cleveland Guardians Baseball Company, LLC (the "Guardians") respecting the lease of Progressive Field in Cleveland, Ohio ("Ballpark") from Gateway to the Guardians; and

WHEREAS, pursuant to the Lease Agreement, the Guardians have submitted a request for approval of alterations to the Ballpark consisting of the renovation of the existing New Era shop into a Fanatics Sportsbook and creating certain signage (the "2023 Fanatics Sportsbook Alteration"), and as described in an Agreement between Gateway and the Guardians, the form of which is on file with Gateway (the "Agreement").

WHEREAS, the Board desires to authorize and approve the Agreement and actions to be taken thereunder, including the renovations required for the 2023 Fanatics Sportsbook Alteration.

NOW, BE IT RESOLVED, that the Board of Trustees of Gateway, on behalf of Gateway, hereby authorizes and approves the Agreement.

FURTHER RESOLVED, that the Chair, Vice Chair, Secretary, Executive Director or any other officer of Gateway are authorized to enter into the Agreement, substantially in the form on file and with such changes as are not materially adverse to Gateway and which are consistent with this Resolution, as such officer or officers executing the same in their, his or her judgment deem necessary or appropriate in connection therewith, which execution shall constitute conclusive evidence as of the approval and authorization thereof by Gateway.

FURTHER BE IT FINALLY RESOLVED, that the Chair, Vice Chair, Secretary, Executive Director or any officer of Gateway are each authorized to carry out the transactions set forth in the Agreement, provided such actions are consistent with this Resolution and not materially adverse to Gateway.

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Ms. Nunnally then moved on to Ballpark Major Capital Repair request matters. First, she explained that Gateway has its tri-annual Facilities Condition Assessment (“FCA”) prepared in 2022 and Gateway has been working with Mr. Faller and Osborn to prioritize the various Capital Repair projects identified in the FCA. She also noted that the Guardians recently provided a list of Capital Repair project/items that may arise during the course of the Ballpark Improvement Project and that Gateway is currently reviewing that list from the Guardians with Osborn and will work with the Guardians on the prioritization of such projects based on the FCA review, life safety, and various other prioritization concerns surrounding the various needs at the Ballpark.

Ms. Nunnally then began discussing the Lower Bowl Seating Replacement and Concrete Repair project. She reminded the Board members that the project was initially approved based on a projected budget of \$12.9 million but the bids received for the concrete restoration and the seat purchase and installation came in over budget and when taking into consideration the project soft costs, the total project cost is slightly above \$13 million, leaving a budget shortfall of \$159,900. Ms. Nunnally then noted that certain of the seat shop drawings were being held in abeyance based on the Guardians’ request. The Guardians then came to Gateway to request that approximately 2,000 seats around home plate and in front of the bullpen be upgraded from the currently selected plastic/composite seating to an upgraded premium cushioned seat from the same manufacturer. The Guardians made the request based on the contention that the trend in MLB ballparks is to have such premium seating around home plate and the upgrade to the premium seats in the selected areas would be a Capital Repair under the obsolescence standard under the Ballpark lease. Ms. Nunnally then advised the Board that upgrading the seats requested by the Guardians would add an additional \$1,584,943 to the project costs over the 15-year life of the upgraded seats, consisting of \$618,420 for the initial costs of the seat upgrades, \$52,500 in additional concrete restoration costs, and the balance for the future costs of seat and back pad replacements every 5<sup>th</sup> year during the 15-year life cycle of the seats, plus inflation on the future costs, estimated at an annualized four percent inflation rate. Ms. Nunnally also noted that the Guardians have advised that certain areas of the lower bowl may not be available to Gateway’s contractors during the 2023-2024 offseason and, if certain areas of the lower bowl seating project are not completed during the next offseason, additional costs could be incurred for the delay including, labor and material cost increases and storage costs for seats that are not installed during the first offseason.

Ms. Nunnally then turned the presentation over to the Guardians to justify their request for the seating upgrade around home plate. Mr. Kosman did a brief introduction and turned the presentation over to Ms. Burt who referred the Board members to a presentation the Guardians had prepared and had been previously provided to the Board. Ms. Burt described the current style of seats in the home plate section of the Ballpark and argued that the trend is for Ballparks to have upgraded padded seats in the areas near home plate. She referred the Board members to page 9 of the presentation which identifies the number of upgraded seat offerings in the various MLB ballparks and noted that the Guardians had some of the fewest of such offerings. Mr. Znidarsic then took over the presentation and engaged in a discussion of the Ballpark lease terminology relating to the definition of Capital Repairs, Components, and the standard of obsolescence. Mr. Alex King then discussed slides 13 through 16 of the presentation to demonstrate the trends and style of upgraded padded seats used by other MLB ballparks around

the county. He then referred the Board members to page 16 of the presentation that identifies the areas where the Guardians are seeking the approval of the seat upgrades to padded seats in the lower bowl. Mr. Alex King concluded by stating that padded seats in the lower bowl around home plate are used in all but four MLB ballparks, that the requested upgrade brings the Ballpark up to the modern standards, and the requested change would not alter the number of seats in the Ballpark

After the conclusion of the Guardians' presentation, the floor was opened up to questions from the Board members. Mr. Carroll asked whether the requested replacement is in the mid-range of padded seats and whether other ballparks use the selected seats. Mr. Alex King confirmed that other ballparks around the county do use the Hussey Quattro seat and it is a mid-range padded seat. Mr. Carroll also inquired whether the Guardians had considered corporate sponsors to cover a portion of the costs of the seating upgrade and Mr. Alex King stated nothing has been discussed yet for sponsorship except for the possibility of cup holder branding. Mr. Carroll then inquired as to the approximately \$8 million for the original concrete repair and Ms. Nunnally explained that the concrete repair consists of fixing spalling of the concrete under the seats, replacing the joint systems, installing new railings and applying protective coating to the concrete after remediation. Mr. Ron King then inquired whether there had been any consideration to upgrading the seats even further and Mr. Alex King responded that they wanted to maintain economies of scale by using the same manufacturer for the padded seats as the plastic/composite seating and they look at the relationship with the manufacturer as a long-term relationship. Mr. Znidarsic also noted that there will also be additional higher-grade seating available in the new dugout club area.

Ms. Russell expressed concern over the long-term maintenance of the padded seats as compared to the plastic-composite seats and asked whether the Guardians will help with the maintenance costs. Mr. Nunnally did note from her presentation that the padded cushions will likely need to be replaced every five years and this cost has been included in the amount of the current request. Mr. Silliman then noted that Routine Maintenance is the Guardians' responsibility under the Ballpark lease and anything beyond the 5-year cushion replacement is the Guardian's responsibility. Mr. Silliman then asked Mr. Faller what Osborn had learned from their review of the Guardian's request. Mr. Faller confirmed that replacement of seats in the home plate area with upgraded padded seats is the trend. Mr. Faller did caution, however, that there will be a slight reduction in the number of seats due to the structure of the padded seats but that the number of seats lost due to the change to the padded seating and stanchions would be minimal. Mr. Silliman also asked Mr. Wilcox and Mr. Simpkins if there were any legal concerns relating to the obsolescence issue presented by the Guardians. Mr. Wilcox responded that he sees this as a one-time request and expenditure and we just want to ensure that there will not be a future subsequent request with regard to seating upgrades as that would be difficult to justify.

Mr. Silliman reminded the Board that Major Capital Repair requests are usually presented via a two reading process, but in this case the two reading process was not necessary since Osborn and counsel have already had the opportunity to review the request and the Board members were able to review the Guardians' presentation in advance of the meeting. Mr. Silliman also made clear that the Board was not specifically adopting Mr. Znidarsic's statements on the issue of obsolescence but rather just making the determination as to whether to approve the expenditure

of the additional funds for the upgraded seat replacement. Mr. Wilcox also reminded the Board that the current request is an amendment of a prior request for the Lower Bowl Seat Replacement project which was already subject to the two reading process. Further, he advised the Board that due to the need to make the seat selection by close of business today, any delay to accommodate another Board meeting for a second read on the amended request could result in a cost increase. Ms. Nunnally then confirmed that the seat selection is due to the seat contactor today.

Mr. Silliman then asked if there were any further questions. Hearing no further questions, Mr. Silliman then introduced Resolution No. 2023-2 recommending approval of the option to include the premium seat upgrade costs as part of the Lower Bowl Seating project as a Major Capital Repair. Based on the presentation and motion of Mr. Silliman and seconded by Mr. Carroll, the following Resolution 2023-2 was approved unanimously 4-0 by the Board:

RESOLUTION NO. 2023-2

REGARDING RECOMMENDATION WITH RESPECT TO  
AMENDED REQUEST FOR MAJOR CAPITAL REPAIRS FROM  
THE CLEVELAND GUARDIANS  
BASEBALL COMPANY LLC

WHEREAS, Gateway Economic Development Corporation of Greater Cleveland (“Gateway”) has agreed to provide for Major Capital Repairs as defined in the Lease (the “Lease”) between Gateway and The Cleveland Guardians Baseball Company, LLC (“Guardians”); and

WHEREAS, the Board of Gateway has previously notified the City of Cleveland, Ohio (“City”) and Cuyahoga County (“County”) that Gateway does not have sufficient funds to pay Major Capital Repairs as defined in the Lease and requested the respective appointing authorities of Gateway, the City and the County, to consider such funding of Major Capital Repairs; and

WHEREAS, on June 13, 2012 the Board adopted Resolution No. 2012-1 setting forth its policies and procedures with respect to Major Capital Repairs (“Policy”); and

WHEREAS, the Cleveland Guardians have submitted a request for approval of Major Capital Repairs to the Ballpark under the Lease consisting of an increase in a previously approved request for the Replacement of Lower Bowl Seating project in the Ballpark (the “Amended Request”); and

WHEREAS, the Amended Request replaces the prior request approved by Resolution No. 2022-7 and increases the total amount of the request for the Replacement of Lower Bowl Seating project in the Ballpark; and

WHEREAS, the Board has reviewed such Amended Request and pursuant to the Policy has received information from its professional consultant regarding the approval of such amended item as a Major Capital Repair; and



WHEREAS, the Gateway Board desires to recommend approval of the Amended Request as further described in Exhibit A attached hereto.

NOW, BE IT RESOLVED, that the Board of Trustees of Gateway, on behalf of Gateway, finds that the Amended Request from the Cleveland Guardians for the Ballpark, attached as Exhibit A hereto, is a Major Capital Repair under the Lease and is hereby recommended for approval.

BE IT FURTHER RESOLVED, that this Resolution, including the attached Exhibit A, constitutes Gateway's recommendation under the Policy and shall be forwarded to the City and the County forthwith and Gateway shall continue to provide information to the City and the County as requested to support this recommendation.

BE IT FINALLY RESOLVED, that the Board respectfully requests the County or City make a decision as to this recommendation no later than February 28, 2023.

**Exhibit A**

Ballpark Major Capital Repair

Amended Replacement of  
Lower Bowl Seating

\$ 14,723,643 (consisting of prior approved request of \$12,978,800 plus an additional \$159,900 for cost escalations plus an additional \$1,584,943 (comprised of \$670,920 in initial costs for premium seat upgrades, and the balance for anticipated re-padding costs over 15-year life cycle of seat upgrades including inflation based on an annual four percent (4%) inflation factor))

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After the Executive Director report, Ms. Nunnally turned the meeting over to Mr. Valvoda to provide the Gateway Year End Financial Operations Report. Mr. Valvoda began his report by directing the Board members to the Income Statement – Actual vs. Budget spreadsheet in the Board materials. He noted that the 2022 Year End Net Income was \$287,219 and this Net Income would be used as rent credits by the Teams. He noted that security came in under budget due to absenteeism but hopes that this trend will somewhat subside in 2023 due to the security company increasing compensation for members of the security detail. Mr. Valvoda also advised the Board that the financial reports for January 2023 are complete. Mr. Valvoda then asked if the Board had any questions regarding the 2023 Year End Income Statement. Hearing none, that concluded the Year End Financial Operations Report.

Mr. Silliman then reminded his fellow Board members that the next Board meeting is scheduled for May 17, 2023 at 11:00 a.m. Afterwards, upon motion made by Mr. Silliman, seconded by Mr. Carroll, the Board adjourned the meeting at approximately 12:06 p.m.

APPROVED:

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Chair





May 17, 2023

Mr. Todd Greathouse  
Executive Director  
GATEWAY ECONOMIC DEVELOPMENT  
CORPORATION OF GREATER CLEVELAND  
758 Bolivar  
Cleveland, OH 44115

RE: Major Capital Repairs: Vertical Transportation Systems and Control Room

Dear Mr. Greathouse,

Since 2006, Cavaliers Operating Company, LLC ("COC") has invested \$145M+ in ongoing building repairs, upgrades, and maintenance to the Rocket Mortgage Fieldhouse ("RMFH"). This amount excludes the investments made during the Transformation and averages \$8M a year. As part of our ongoing capital-needs planning, we engaged Osborn Engineering, one of the region's top engineering firms, to review RMFH's capital needs for the next 10 years. Osborn Engineering conducted a Facility Condition Assessment, which informs today's request.

As you know, the terms of our lease stipulate that Gateway is responsible, at its sole cost and expense, for all Major Capital Repairs to RMFH, defined as repairs over \$500,000. As a result of the Facility Condition Assessment, COC requests the following Major Capital Repairs to the Vertical Transportation Systems and the Control Room, which are both at the end of their life.

Vertical Transportation Systems:

This project includes the replacement of the existing vertical transportation systems, which are 29 years old and at the end of their life. Based on the 2023 Facility Condition Assessment, the estimated cost is \$9.8M, inclusive of project management fees, escalation, general conditions, bonding, etc.

Control Room:

This project includes the replacement of the existing control room systems. While COC has worked to extend the useful life of these systems through ongoing maintenance, replacement parts are no longer being manufactured and the full systems have reached the end of their life. Based on the 2023 Facility Condition Assessment, the estimated costs are \$18.4M, inclusive of project management fees, escalation, general conditions, bonding, etc.

COC will work closely with Gateway staff throughout the procurement and installation process.

Thank you for your attention to this matter. Please contact me with any questions.

Best Regards,

Antony Bonavita  
Executive Vice President, Venue Operations

cc: Nic Barlage, Meg Murray, Stefanie Meade



GATEWAY ECONOMIC DEVELOPMENT  
CORPORATION OF GREATER CLEVELAND

RESOLUTION NO. 2023-3

AUTHORIZING AND APPROVING AGREEMENT  
WITH RESPECT TO ALTERATION  
BETWEEN GATEWAY ECONOMIC DEVELOPMENT  
CORPORATION OF GREATER CLEVELAND AND  
CAVALIERS OPERATING COMPANY, LLC

WHEREAS, Gateway Economic Development Corporation of Greater Cleveland (“Gateway”) has entered into a Lease and Management Agreement dated as of October 12, 2017 (the “Lease Agreement”) with the Cavaliers Operating Company, LLC (the “Cavaliers”) respecting the lease of the Rocket Mortgage FieldHouse (f/k/a Quicken Loans Arena) in Cleveland, Ohio (“Arena”) from Gateway to the Cavaliers; and

WHEREAS, pursuant to the Lease, the Cavaliers have submitted a request for approval of an alteration to the Arena consisting of the demolition and renovation of the existing Locker Room A, Visiting NBA, Visiting Hockey and Star Dressing Rooms within the Event Level of the Arena (the “Event Level Alteration”), and as described in an Agreement between Gateway and the Cavaliers, forms of which are on file with Gateway (the “Agreement”).

WHEREAS, the Board desires to authorize and approve the Agreement and actions to be taken thereunder, including to enter into an agreement with The Whiting-Turner Contracting Company (“Whiting-Turner”) for the Alteration.

NOW, BE IT RESOLVED, that the Board of Trustees of Gateway, on behalf of Gateway, hereby authorizes and approves the Agreement.

FURTHER RESOLVED, that the Chair, Vice Chair, Secretary, Executive Director or any

other officer of Gateway are authorized to enter into the Agreement, substantially in the form on file, and the agreement with Whiting-Turner by and among Gateway, the Cavaliers and Whiting Turner utilized for the Event Level Alteration, with such changes as are not materially adverse to Gateway and which are consistent with this Resolution, as such officer or officers executing the same in their, his or her judgment deem necessary or appropriate in connection therewith, which execution shall constitute conclusive evidence as of the approval and authorization thereof by Gateway.

FURTHER BE IT FINALLY RESOLVED, that the Chair, Vice Chair, Secretary, Executive Director or any officer of Gateway are each authorized to carry out the transactions set forth in the Agreement, provided such actions are consistent with this Resolution and not materially adverse to Gateway.

APPROVED BY:

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Ken Silliman, Chair

May 17, 2023







**Gateway Economic Development Corp**  
**Income Statement - Actual vs Budget**  
**Both Teams Combined**  
**For the Four Months Ending April 30, 2023**

	Year-to-Date		
	Actual	Budget	Variance %
<b>Revenues</b>			
Teams Rent Revenue (a)	1,868,139.53	1,966,414.53	-5.0%
<b>Operating Expenses</b>			
Administration	(207,214.45)	(214,645.19)	3.5%
Maintenance	(342,287.67)	(372,499.65)	8.1%
Security (b)	(323,543.94)	(374,060.21)	13.5%
Insurance	(44,043.37)	(45,852.69)	4.0%
Professional Fees	(40,453.03)	(42,900.00)	5.7%
Parking (c)	(42,356.52)	(59,586.67)	28.9%
<b>Operating Expenses Total</b>	<b>(999,898.98)</b>	<b>(1,109,544.41)</b>	<b>9.9%</b>
Taxes & BID (d)	(847,342.40)	(856,870.12)	1.1%
<b>Total Expenses</b>	<b>(1,847,241.38)</b>	<b>(1,966,414.53)</b>	<b>6.1%</b>
<b>Net Income</b>	<b>20,898.15</b>	<b>0.00</b>	<b>20,898.15</b>

(a) Variances in Teams Rent Revenue are due to Actual Real Estate Tax assessments being lower than estimated for the 2023 Budget.

(b) Variances in Security Expense are due to absenteeism among personnel agencies. Variance was 26.4% favorable for the prior year.

(c) Actual amount includes \$13,000.00 in parking lot rent credits due to ODOT sublease of parking lot during the off-season.

(d) Both team leases stipulate that teams pay the actual amounts of Real Estate Taxes assessed. The Actual amount is for Real Estate Taxes assessed in 2022 and paid in 2023.