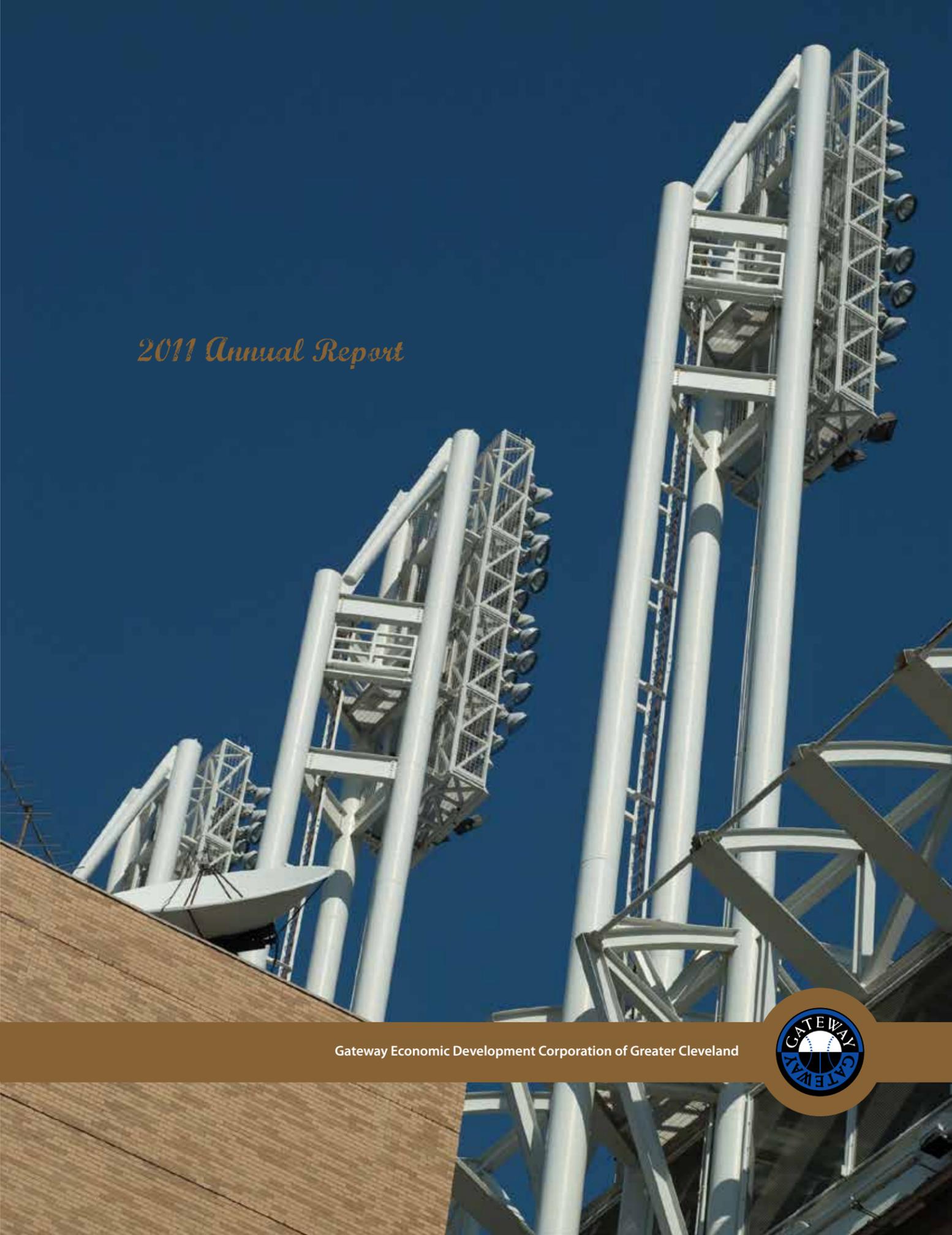


2011 Annual Report



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

Gateway Economic Development Corporation of Greater Cleveland



OCTOBER 2011

Dear Citizens of Cuyahoga County,

It is with pride that we provide you with our annual report for 2011.

Gateway Economic Development Corporation of Greater Cleveland (Gateway) is now over 20 years old. This non-profit entity 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 the surrounding common areas, which include Gateway Plaza along Ontario Avenue.

We are pleased that Gateway's lease agreements with the Cleveland Indians and the Cleveland Cavaliers were revised and extended by the teams in 2004 and 2007. The new, longer lease 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 most of the operating and maintenance costs of their respective facilities, as well as all of the cost of operating the Gateway Corporation.

Gateway's responsibilities – pursuant to the budget that is financed by the teams – include common area maintenance, insurance, security and oversight of the maintenance and capital repairs of the ballpark and the arena, to ensure that they are maintained and continually upgraded to guarantee their long-term viability.

As a result, the ballpark and the arena are today in excellent condition. They will continue to be maintained aggressively and thoroughly as they have been since they opened in 1994.

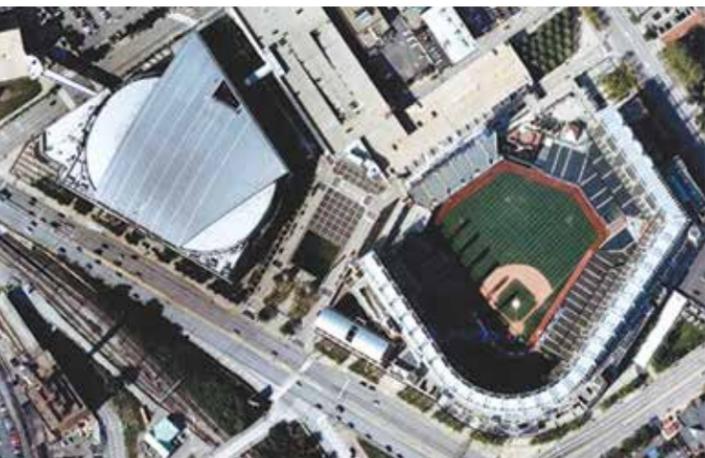
Major capital needs will eventually arise, and Gateway would look to the City and the County for assistance as specified in the lease agreements, to underwrite the funding for these costs since the County and the City will ultimately own these community assets.



Since 1994, more than 65 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 impetus. It has generated jobs 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.

Great strides have been made in 2011 by both teams to bring new and exciting activities to their facilities making them multifaceted. Quicken Loans Arena has increased the number of concerts/shows and set the standard for quality. The Cleveland Indians have introduced Northeast Ohio to Snow Days, which saw more than 50,000 visitors sled and skate in a former dormant winter ballpark. In January of 2012, Progressive Field will host its first major hockey game featuring The Ohio State Buckeyes versus The Michigan Wolverines. Progressive Field also hosted Brad Paisley's H₂O tour this past summer, which boasted three (3) main acts and seven (7) up-and-coming artists. This concert brought in over 31,000 fans.

It is our pleasure to share this report with you. We can all be proud that Cleveland and Northeast Ohio have 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

Gateways 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.





Progressive Field

Interesting Facts

Progressive Field is the 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.

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.

Brad Paisley Concert

Country-music superstar Brad Paisley packed Progressive Field. In all, ten acts performed for approximately 31,000 fans. The Plaza area hosted the "Water World Plaza Stage" featuring emerging new stars.

Snow Days

Created a fun, family-themed atmosphere at Progressive Field in a time when the facility is normally dormant.

Over 50,000 fans enjoyed the activities associated with Indians Snow Days.

Provided a unique winter wonderland with a 60-foot high and 200-foot-long snow tubing hill.

Quarter-mile long skate path was the first contiguous ice path ever constructed in the United States.





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 Champion Tournaments.

Seating capacity is 20,500.

The arena is 75,000 square feet.

Team Shop

The team shop was renovated to create a two-story state-of-the-art store in 2011.

It is 5,654 square feet with the best assortment of Cleveland Cavaliers and Lake Erie Monsters merchandise.



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, 2010
(Operations Only)

Operating Receipts - Rent Paid by Teams	<u>\$3,237,786</u>
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Total Operating Receipts	\$3,237,786
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Operating Expenditures

Administration	\$ 318,796
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Common Area Site Maintenance	\$ 767,816
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Common Area Site Security	\$ 722,729
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D & O Insurance	\$ 23,042
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General Liability Insurance	\$ 78,282
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Professional Fees	\$ 56,269
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Property Tax	\$1,042,515
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Business Improvement District Assessments	\$ 106,820
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Parking for Employees (of Teams)*	<u>\$ 121,517</u>
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Total Operating Expenses	\$3,237,786
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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

Matt Carroll
Chief of Staff
County Executive
Ed FitzGerald's Office

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

