

# 2013 Annual Report



Gateway Economic Development Corporation of Greater Cleveland



# DEAR CITIZENS OF CUYAHOGA COUNTY,



It is with pride that we provide you with our annual report for 2013.

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 the operating and maintenance costs of their respective facilities, many 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 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 (those costing over \$500,000 generally) and under the term 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 team 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.





Since 1994, more than 75 million tickets have been sold for sporting events, concerts and shows at Gateway. The complex – constructed in what had been a blighted part of downtown Cleveland – 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 revenue 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 2013 by both teams to bring dynamic events to their facilities. Quicken Loans Arena started off this year's events with a heightened level of high-profile concerts played at their facility including Justin Timberlake and Pink. The Cleveland Cavaliers' exciting, young roster offers great promise of future playoff years.

The Cleveland Indians had an amazing year in baseball picking up some brand new talent to the team. The team was outstanding and took its fans to the Wild Card game in the American League. The buzz around the team was like that of the 1990's era.

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 2013 Season

**Preseason** The Indians signed Terry Francona to a four-year deal on October 6, 2012.

The Indians then signed Nick Swisher to a four-year deal on December 23, 2012.

**April** The Indians won their home opening game 4-1 with ace Justin Masterson going eight dominant innings and closer Chris Perez picking up the save.

The Indians' fortunes continued to prosper late in the month as they won six straight games and 18 of 22 going through the middle of May.

On April 30, the Indians tied a team record, hitting seven home runs in a game as they defeated the Philadelphia Phillies 14-2.

**May** The Indians started May on a high note, winning 15 of their first 19 games of the month.

During April and May, the Indians defeated seven former Cy Young award winners.

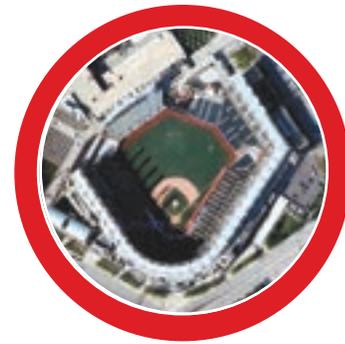
**June** Second baseman Jason Kipnis was named the American League Player of the Month for June. He hit .419 with 12 doubles, four home runs, and 25 RBI. Kipnis also stole nine bases and received Player of the Week honors twice during June.

**July** On July 6, second baseman Jason Kipnis and starting pitcher Justin Masterson were named to the American League All-Star team.

Late July was highlighted by an eight-game winning streak, which included sweeps of the then AL West leading Texas Rangers and the Chicago White Sox.

The sweep of Chicago was the Tribe's second four-game sweep over the White Sox of the season, marking the first time since 1960 that the Indians swept two four-game series from the same club. In the July 29 win over the White Sox, slugger Jason Giambi became the oldest player ever to hit a walk-off home run at 42 years and 202 days. Chris Perez regained his closing duties in July and saved eight games.

**August** The team struggled throughout the month, finishing August at 12-16, their roughest month of the season.



## PROGRESSIVE FIELD

**September** On September 1, the Indians salvaged their final game of the season against Detroit, 4-0 on a Mike Aviles grand slam.

Indians #2 starter, Ubaldo Jimenez, stepped up in Masterson's absence going 4-0 with a 1.09 ERA during the month of September. He was named American League Pitcher of the Month.

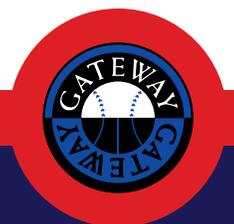
The Indians played some of their best baseball of the season in September, going 21-6 in the month, including a 10-game winning streak to close the season.

Throughout the month, the Indians closed the gap on the Texas Rangers and Tampa Bay Rays and took the lead for one of the wild card spots with about a week left in the regular season.

The Indians finished the season 92-70, which was good enough for the top wild card spot, which meant they would host the 2013 American League Wild Card Game at Progressive Field.

On September 24, Jason Giambi hit a walk-off home run against the White Sox, again becoming the oldest player ever to hit a walk-off home run at 42 years and 259 days, breaking the record he set less than two months earlier.

Information Source: [http://en.wikipedia.org/wiki/2013\\_Cleveland\\_Indians\\_season](http://en.wikipedia.org/wiki/2013_Cleveland_Indians_season)





## 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 2013, The Quicken Loans Arena brought the following shows and concerts to Cleveland:

- 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

- Muse
- Bon Jovi
- Taylor Swift
- New Kids on the Block
- Fleetwood Mac
- Eagles
- Justin Bieber
- Michael Buble
- Chris Tomlin
- P!nk
- Justin Timberlake
- Donny and Marie



# QUICKEN LOANS ARENA



# FINANCIALS



# Gateway Economic Development Corporation of Greater Cleveland

## Statements of Receipts and Expenditures <sup>(1)</sup>

For the Year Ended December 31, 2013 (Operations Only)

Operating Receipts - Rent Paid by Teams	<u>\$3,727,806</u>
Total Operating Receipts	\$3,727,806

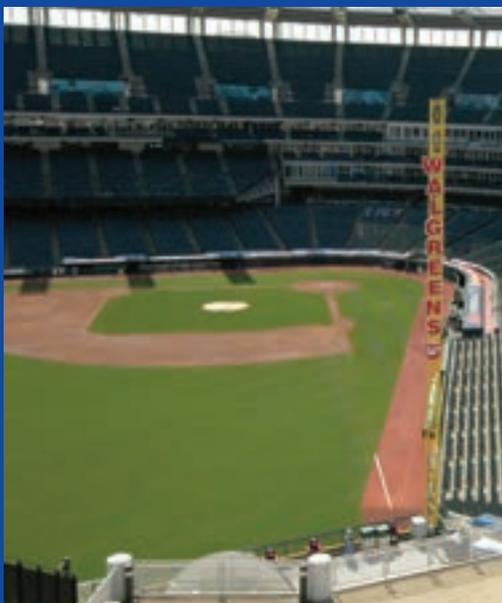
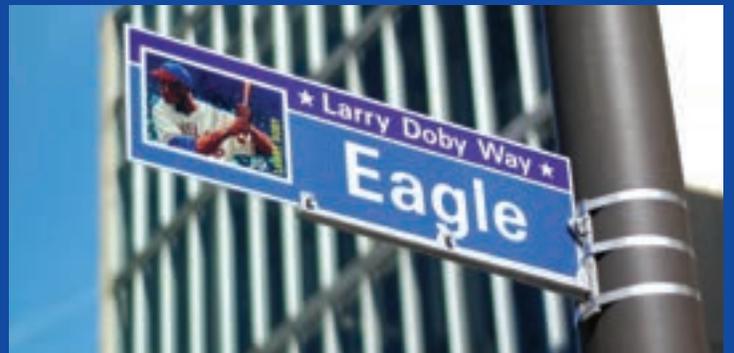
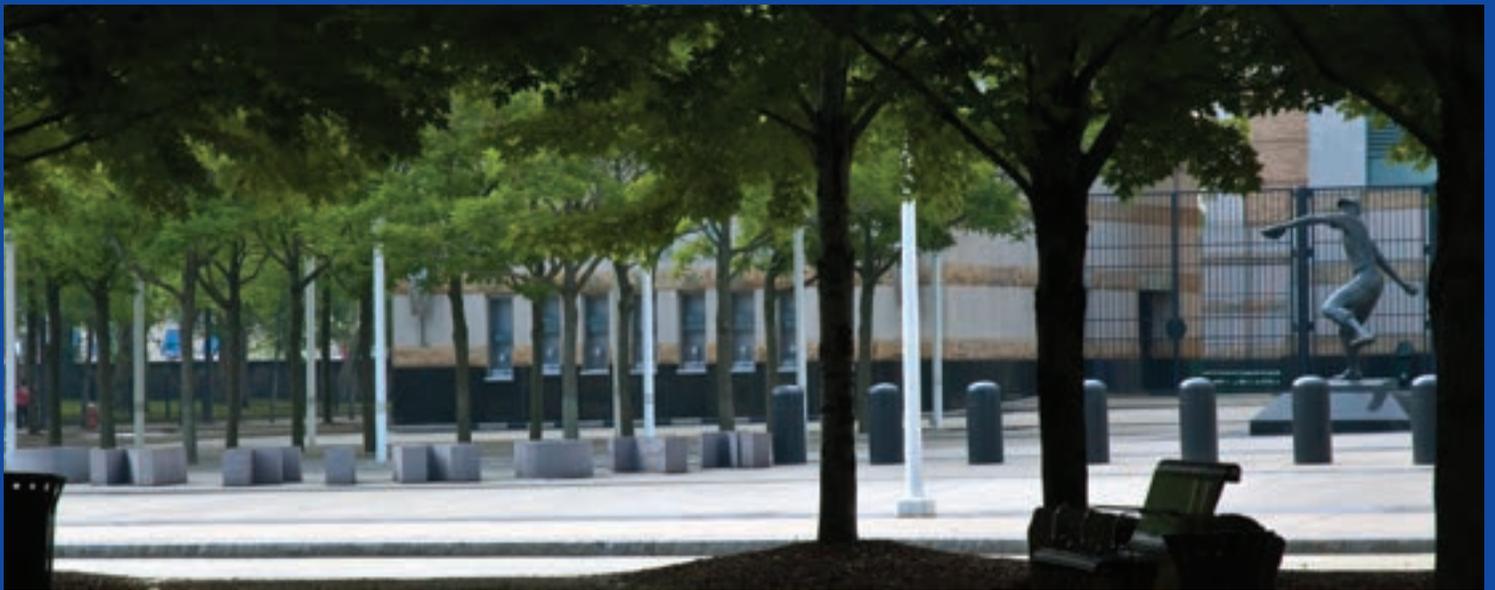
### Operating Expenditures

Administration	\$ 332,253
Common Area Site Maintenance	\$ 850,835
Common Area Site Security	\$ 740,997
D & O Insurance	\$ 24,852
General Liability Insurance	\$ 80,408
Professional Fees	\$ 58,122
Property Tax	\$ 1,476,889
Business Improvement District Assessments	\$ 122,870
Parking for Employees (of Teams) <sup>(2)</sup>	<u>\$ 40,580</u>
Total Operating Expenses	\$ 3,727,806
Income/(Loss) From Operations	<u><u>\$ 0</u></u>

(1) 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.

(2) 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 Offtermatt**

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  
Fifth Third 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





Gateway Economic Development  
Corporation of Greater Cleveland  
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Cleveland, OH 44115