



December 11, 2023
2:30 P.M.

T-Mobile Park
PFD Conference Room
110 Edgar Martinez Drive S
Seattle, WA 98134

The PFD will be holding this Regular Meeting of the Board of Directors in-person and in a manner consistent with guidance from the Attorney General's office. Virtual access via Teams is available upon request. Members of the public desiring to leave a comment but not able to attend the meeting in person should submit them to curtisj@ballpark.org at least 24 hours prior to the meeting start time.

BOARD MEETING NOTICE AND AGENDA

- A. **Call to Order / Welcome** (Chair, Carol K. Nelson)
- B. **Public Comment** (any written public comment received prior to the meeting will be summarized and read aloud)
- C. **Approval of the Minutes**
 - 1. October 30, 2023 Regular Board Meeting Minutes
 - 2. November 13, 2023 Special Board Meeting Minutes
- D. **Board Briefings and Potential Actions:**
 - 1. Mariners Updates (Fred Rivera, Trevor Gooby) – *Verbal Briefing*
 - a. NHL Winter Classic Update
 - 2. City Legislative Update (Sandeep Kaushik) – *Verbal Briefing*

3. State Legislative Update (Pat Dunn) – *Verbal Briefing*
4. Treasurer’s Report (Mike Fong) – *Materials Included and Board Action Anticipated*
 - a. 2024 Final Operating Budget
 - b. Balance Sheet Review
 - c. Proposed Resolution 23-011: Voucher Approval

E. Reports

1. Chair’s Report (Carol K. Nelson)
2. Executive Director’s Report (Joshua Curtis)

F. Executive Session: The Board may meet in Executive Session to “review contract performance of publicly bid contracts” RCW 42.30.110 (1)(d); and/or to discuss with legal counsel real estate lease matters and/or “potential litigation to which the agency . . . is, or is likely to become, a party, where public knowledge regarding the discussion is likely to result in an adverse legal or financial consequence to the agency” RCW 42.30.110 (1)(i). Formal Board action is not anticipated following the Executive Session.

G. Adjournment

WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM PUBLIC FACILITIES
DISTRICT

Monday, October 30, 2023, 2:30 P.M.
Public Facilities District, Conference Room
110 Edgar Martinez Drive South, Seattle, Washington 98134

REGULAR BOARD MEETING MINUTES

The PFD held its Regular Meeting of the Board of Directors in-person and in a manner consistent with guidance from the Attorney General's office. Virtual access was provided via a Microsoft Teams conference system (video or phone) upon request. Members of the public desiring to leave a comment but not able to attend the meeting in person were asked to submit comments to curtisj@ballpark.org at least 24 hours prior to the meeting start time.

CALL TO ORDER / WELCOME

Vice-Chair Chris Marr called the meeting to order at 2:30 pm pursuant to notice. Board Members joining the meeting in person: Brian Surratt, R. Omar Riojas and Stacy Graven. Board members joining remotely via Teams: Chair Carol K. Nelson, and Member Andrea Sato who joined at 2:36. Board Member Mike Fong was absent but excused. Staff and consultants present: Joshua Curtis (Executive Director), Annie Thenell (Office Manager), Tom Backer (Legal Counsel), John Christison (BCI + Network), Patrick Dunn (Legislative), and Darcy Johnson (Bulls-Eye Bookkeeping). Consultants Mike Wooley (Venue Solutions Group), Bryan Slater (CAA-ICON) and Jamie Sullivan (CAA-ICON) joined remotely. Also joining in person were Trevor Gooby (Mariners SVP, Ballpark Operations) and Carmela Ennis (King County).

PUBLIC COMMENT

No written public comment was received.

Vice-Chair Marr introduced Darcy Johnson of Bulls-Eye Bookkeeping and Darcy briefed the Board on her background and responsibilities.

APPROVAL OF MINUTES

1. Vice-Chair Marr asked for a motion to approve minutes from the September 11, 2023, Regular Board Meeting. Member Graven moved to approve the minutes, seconded by Member Riojas. Motion carried 5-0, with Member Sato not yet present to vote.

BOARD BRIEFINGS AND POTENTIAL ACTIONS

1. Mariners Updates (Trevor Gooby)
 - a. 2023 Season Recap

Mr. Gooby reported that overall, the 2023 season was a success, noting that the Team's close chance to make the post season contributed to high attendance numbers in the latter part of the season. Member Marr asked if the attendance goal for the season was met, and Mr. Gooby replied that at 2.7 million fans attending, the attendance goal was almost met.

Member Marr additionally asked how the Mariners look to identify operational issues that affect fan experience, and if the Club monitors social media in real time. Mr. Gooby stated that yes, social media is monitored in real time and that there is a command booth that oversees every game and communicates across all sectors in response to any real time issues. He additionally stated that every Tuesday after a home stand the Club holds a “Tell the Truth” Session where all data is examined, problems are analyzed and addressed, and employees are encouraged to bring up any issues.

Member Graven commended the Club on the consistent use of surveys. Mr. Gooby responded that the Mariners’ overall feedback rating for the season was 8.1, which nearly met their goal of an 8.5 rating, and was one of the highest ratings in the MLB.

Member Riojas asked how many ballparks have Grab-and-Go concessions, and Mr. Gooby stated that he thought approximately five ballparks have them.

b. 2024 Winter Classic Preview

Mr. Gooby reported that 40,000 people are expected to attend the NHL Winter Classic, which will be held on Jan 1st, 2024, at T-Mobile Park. He said that the Club has prepared extensively for the differences in hosting a winter sporting event and has consulted with other ballparks who have hosted the Classic, notably the Red Sox, who were the last hosts.

c. New Personnel

Mr. Gooby reported that Andres Oliden has left the Mariners organization and is now Director of Special Projects with the NY Mets. He reported that for the time being, Mr. Oliden’s position is being split up and handled by three existing staff members-Grant Harris, Austin Benson and My’Lissa Young.

2. 2023 Operations and Maintenance Review Summary (Mike Wooley, Venue Solutions Group; John Christison, BCI + Network)

Mr. Wooley and Mr. Christison summarized the presentation included in the Board packet. They thanked Mr. Gooby and commended him and the Mariners staff for being very helpful and accommodating during their inspection of the ballpark. Member Marr asked how granular their evaluation of the ballpark is. Mr. Wooley answered that it is more of a broad overview, and they do not get into the granularity of the maintenance schedule. Mr. Christison reported that his team looked back at their last report and noted that the Mariners had taken care of all previous notes and recommendations made. He especially noted that there has been a big improvement in the concession areas, and that the cleanliness level was excellent. Member Graven asked if the maintenance and repair of the sidewalks is a City issue or if it is under the Mariners purview. Mr. Gooby answered that it is done in partnership with the City.

3. 2024 Ballpark Management Plan Final Review (Bryan Slater, CAA ICON; Joshua Curtis)

a. Final Review

Mr. Slater presented the materials appended to the Board packet.

Member Graven asked about the list of projects that have been deferred. Mr. Gooby answered that the Club tries to be the best possible stewards of public funds, and therefore they will push projects out if the item in question is still functioning, and also that they always look for less expensive options, if possible. Member Surratt asked if potential future non-baseball events affect projects. Mr. Gooby replied that baseball is always first, but they do look at concerts, for instance, and evaluate what tech might be needed and best for those.

b. PFD Letter of Approval

Mr. Curtis presented the PFD's proposed letter of approval for the 2024 Ballpark Management Plan, included in the Board packet. Following discussion, Member Graven moved to approve, seconded by Member Surratt. Resolution carried 6-0.

4. Treasurers Report (Joshua Curtis)

Vice-Chair Marr noted that he had sat in with Mr. Curtis and Member Fong to review the financials and, with Member Fong absent, requested Mr. Curtis to provide the Treasurer's Report.

a. 2024 Draft Operating Budget Review

Mr. Curtis summarized the materials provided in the Board packet.

b. Balance Sheet Review

Mr. Curtis summarized the Balance Sheet included in the Board packet.

c. Proposed Resolution 23-010: Voucher Approval

Mr. Curtis introduced Proposed Resolution 23-010 to approve the regular voucher payments. He noted that he had met with Member Fong to review all the materials prior to the board meeting. Following discussion, Chair Nelson moved to approve, seconded by Member Riojas. Resolution carried 6-0.

REPORTS

Chair's Report

Chair Nelson reported on the upcoming Board Retreat which will be held on Monday November 13th. She asked the Board Members to review the proposed agenda which has been sent to them, and to recommend any potential topics or adjustments to the agenda.

Executive Director's Report

Mr. Curtis summarized the Executive Director's report included in the Board packet. Member Graven thanked Mr. Curtis for being the PFD's face in the community and commended him for that work.

EXECUTIVE SESSION

There was no executive session.

ADJOURNMENT

There being no further business before the Board, Vice-Chair Marr declared the meeting adjourned at 4:04 pm.

Annie Thenell,
Recording Clerk

Carol Nelson, Chair
Board of Directors, Public Facilities District

WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM PUBLIC FACILITIES
DISTRICT

Monday, November 13, 2023, 11:30 AM
Public Facilities District, Conference Room
T-Mobile Park, Club 1 Conference Room, 5th Floor, Seattle, Washington 98134

SPECIAL BOARD MEETING MINUTES

The PFD held a Special Meeting of the Board of Directors in-person and in a manner consistent with guidance from the Attorney General's office. Virtual access was provided via a Microsoft Teams conference system (video or phone) upon request. Members of the public desiring to leave a comment but not able to attend the meeting in person were asked to submit comments to curtisi@ballpark.org at least 24 hours prior to the meeting start time.

CALL TO ORDER / WELCOME

Chair Carol K. Nelson called the meeting to order at 11:35am, pursuant to notice. Board Members joining the meeting in person: Vice-Chair Chris Marr, Brian Surratt, R. Omar Riojas, Stacy Graven, Andrea Sato and Mike Fong. Staff and consultants present: Joshua Curtis (Executive Director), Annie Thenell (Office Manager), and Tom Backer (Legal Counsel). Also present from the Seattle Mariners, were Vice President for Strategy/Analytics Chris Kennedy (11:50-12:30) and Mariners Executive VP/Legal Counsel Fred Rivera (11:50-12:30 and 2:00-2:45).

PUBLIC COMMENT

No written public comment was received.

FACILITATED BOARD DISCUSSION

EXECUTIVE SUMMARY OF THE BOARD AGREEMENTS

Here are the Board's primary agreements from this year's planning retreat:

1. The PFD's primary role is to work with the Mariners on what is going on inside the ballpark while maintaining an interest in the impacts of the ballpark on the surrounding neighborhoods and community.
 - The Board credits Fred Rivera for the Mariners' greater interest in the impacts of the ballpark on the neighborhoods.
 - Board members recognize that the financial sustainability of the ballpark and its impacts on the neighborhoods and region is a major interest and responsibility.
2. **The Board's priorities in 2024:** a) Stadium District and neighborhood relations; b) Neighborhood Improvement Fund (NIF); and c) Ballpark Reference List and trips. The context for the agreement on priorities is provided in points 3-6.
3. **Relations with the Seattle Mariners.** The relationship with the Mariners is good. The comments of Mariners representatives Fred Rivera and Chris Kennedy indicated this.

The Board cited four factors for the improvement of this relationship during the past few years: a) the new lease; b) both the Mariners and PFD agree that the ballpark should achieve the standards of what the team and PFD consider to be the top ten baseball stadiums in Major League Baseball (MLB); c) under John Stanton's leadership, the Mariners consider the PFD a partner; and d) Joshua Curtis has worked hard to strengthen the relationship by cultivating better communications and collaboration between the PFD and Mariners.

- Everyone acknowledged that the PFD needs to continue to work hard to maintain and strengthen the relationship.
- Brian Surratt observed that Climate Pledge Arena, the new home of the Seattle Kraken, has raised the bar for sports facilities in Seattle. Board members agreed and observed that there is more pressure to ensure that T-Mobile Park remains a first-class facility among MLB ballparks and the facilities in our region.

4. **Neighborhood Relations.** After the Board better understands what is going on in the neighborhoods that surround the ballpark, it can determine the appropriate role for the PFD. The PFD doesn't need to be a broker between the Mariners and neighborhoods. There might be a role for the PFD to play in working with neighborhood representatives; for example, investing some Neighborhood Improvement Funds in improvements that could strengthen a neighborhood.

- In considering a role, the Board needs to be mindful of geography and issues. What are neighborhoods and issues that would be appropriate for the PFD to be engaged in given its mission?
- Board members suggested to Joshua that a standing item on the Board's meeting agendas should be an update on what is occurring within the neighborhoods. Of particular interest at this time is Chinatown/International District because the PFD has more recently been focused on what is happening south of T-Mobile Park.
- At the end of the retreat, the Board generated other ideas for how to connect to the community. See #8 for those additional recommendations.

5. **Neighborhood Improvement Fund (NIF).** Use the NIF to strengthen relationships with the neighborhoods. Stacy Graven, Omar Riojas, and Joshua will present to the Board criteria by which to determine when the Board might commit funding to a project and examples of projects that might be funded using the criteria.

- There are different perspectives among Board members on the size of the PFD's Operating Fund annual surplus and the how the PFD should invest/spend these funds at the end of the year.
- There appeared to be consensus that the PFD should continue refine the criteria used to identify the feasibility of NIF projects. The board asked Joshua to work with Stacy and Omar to identify other possible investments that are currently out there regardless of their current feasibility to allow for a review by the board.

6. **Ballpark Reference List and Trips.** By September 2024 the Mariners and PFD will develop the Ballpark Reference List, the list of ten MLB ballparks that helps guide the standards by which T-Mobile Park is assessed.

- By the end of the first quarter of next year, the criteria should be identified, consistent with the Lease.
- During the second and third quarters the Mariners and PFD will work on the Top Ten List.
- In March the ballparks that the Board and Mariners' representatives will tour should be finalized.
- Board members were urged to join the tour(s) of comparable ballparks. Some Board members suggested that in touring other ballparks, these issues should be uppermost in everyone's minds: a) maintenance and operations; b) role the ballparks played in community revitalization; and c) community uses of the ballparks.

These two sets of agreements resulted from the final discussions of the day, when the Board addressed these questions: "How are things going? What could we do better? What should we do to strengthen Board members engagement at our meetings and in the community?"

7. **Funding organizational opportunities.** In addition to discussing the NIF, the Board said that:
 - a. Since Joshua took the helm as Executive Director, the PFD's engagement in the community has grown substantially.
 - b. The PFD is using consultants who have connections to government agencies and community organizations, which benefits us because they can tap into their connections to help us build relationships throughout the community.
 - c. There are a lot of opportunities to sort out, and prioritizing is imperative. This condition should be reflected in the budget. For example, if we should need to engage in discussions about the King County Campus, a budget proposal should be developed.

8. **Board meetings and outreach opportunities.** To strengthen Board understanding and engagement:
 - a. Add to our regular board meeting agendas a standing item of discussing issues that are "swirling around us" so that we can have deeper conversations about issues that might affect us or that we may choose to influence.
 - b. Periodically discuss broad, regional topics, such as the health of the Seattle-area sports economy. We could invite guest speakers on these occasions.
 - c. Link our website to the Mariners' website and collect data on how many visits our website receives.
 - d. Give the Annual Report to neighborhood businesses and partners. A group of us (for example, Joshua and two Board members) could present it in-person to generate awareness and interest in the PFD's work.
 - e. Joshua should look for opportunities to invite Board members to community conversations.

BUILDING TEAMWORK AMONG THE BOARD AND STAFF

To kick-off the retreat, the Board and staff answered this question: "What is a significant experience in your life that has led you to serve the PFD. Everyone answered with their own personal reflections on the reasons for their service.

At the end of this session, Chris observed that we are here to invest in baseball, improve the fans' experience, and the experience of people who are not fans but are in the neighborhoods.

EXECUTIVE SESSION

There was no executive session.

ADJOURNMENT

There being no further business before the Board, Chair Nelson declared the meeting adjourned at 3:42 pm.

Annie Thenell,
Recording Clerk

Carol K. Nelson, Chair
Board of Directors, Public Facilities District

DRAFT

PFD 2024 Operating Budget - FINAL

Presented at December 11 2023 PFD Board Meeting for Board Action

Non-Operating Fund Balances (projected)	
Operating Reserve Fund	3,620,000
Capital Projects Fund	3,000,000
County Tax Fund	-
Neighborhood Improvement Fund	3,100,000

CPI Assumption **4%**

Operating Cash Balance (Beginning, Projected) **1,150,000**

Operating Budget	January	February	March	April	May	June	July	August	September	October	November	December	Total	2023	Delta
Income															
Rent + Interest	1,000	1,000	943,812	1,000	1,000	1,000	1,000	943,812	1,000	1,000	1,000	1,000	1,897,624	1,883,135	14,488
Reimbursement Revenue	113	113	113	113	113	113	113	113	113	113	113	113	1,350	5,907	(4,557)
Total Income	1,113	1,113	943,924	1,113	1,113	1,113	1,113	943,924	1,113	1,113	1,113	1,113	1,898,974	1,889,042	9,932
Expense															
Salaries/Benefits															
Salaries	20,064	20,064	20,737	20,737	20,867	20,867	20,867	20,867	20,867	20,867	20,867	20,867	248,534	221,316	27,218
Employee Benefits - Health	3,831	3,831	3,831	3,831	3,831	3,831	3,831	3,831	3,831	3,831	3,831	3,831	45,975	33,854	12,121
Employee Benefits - Retirement	665	664	1,022	685	688	1,026	688	688	1,026	688	688	1,026	9,557	6,639	2,917
Payroll Taxes	1,658	1,658	1,715	1,715	1,725	1,725	1,725	1,725	1,725	1,725	1,725	1,725	20,543	18,471	2,072
Subtotal	26,218	26,218	27,305	26,968	27,111	27,448	27,111	27,111	27,448	27,111	27,111	27,448	324,609	280,281	44,327
Professional Services															
Accounting/Auditing	2,083	2,083	2,083	2,083	2,083	20,083	2,083	2,083	2,083	2,083	4,083	16,083	59,000	48,000	11,000
Consulting Services	18,717	18,717	19,092	19,092	19,092	26,592	17,217	17,217	47,217	17,217	17,217	22,217	259,600	235,400	24,200
Legal Fees	9,667	8,667	8,667	9,667	8,667	8,667	9,667	8,667	8,667	9,667	8,667	8,667	108,000	108,000	-
Website & IT Support	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	19,200	19,200	-
Subtotal	32,067	31,067	31,442	32,442	31,442	56,942	30,567	29,567	59,567	30,567	31,567	48,567	445,800	410,600	35,200
General & Administrative															
Bank, Payroll, & Investment Fees	108	108	108	108	108	108	108	108	108	108	108	108	1,302	2,141	(839)
Board Compensation	667	667	667	667	667	667	667	667	667	667	667	667	8,000	8,000	-
Dues & Subscriptions	3,145	20	20	20	20	210	20	20	20	1,520	20	20	5,055	5,055	-
Insurance Expense	-	-	-	-	-	-	-	-	-	-	1,381	10,000	11,381	11,078	303
Office Equipment Rental	710	710	710	710	710	710	710	710	710	710	710	710	8,520	8,881	(361)
Office Supplies	224	224	224	224	1,124	724	224	224	604	224	937	937	5,890	6,145	(255)
Professional Development	167	167	167	167	167	167	167	167	167	167	167	167	2,000	2,000	-
Repairs and Maintenance	600	600	32,100	38,245	600	600	600	600	600	600	600	600	76,345	57,200	19,145
Software Expense	307	307	307	307	307	307	307	307	307	307	307	586	3,962	2,620	1,343
Telephone Expense	270	270	270	270	270	270	270	270	270	270	270	270	3,240	3,180	60
Travel	125	125	125	125	125	30,125	125	125	125	125	125	125	31,500	36,200	(4,700)
Utilities	200	200	200	200	200	200	200	200	200	200	200	200	2,400	1,965	435
Subtotal	6,522	3,397	34,897	41,042	4,297	34,087	3,397	3,397	3,777	4,897	5,492	14,390	159,595	144,465	15,131
Total Expense	64,807	60,682	93,644	100,452	62,850	118,477	61,075	60,075	90,792	62,575	64,169	90,405	930,004	835,346	94,658
Operating Cash Balance	1,086,305	1,026,736	1,877,016	1,777,677	1,715,940	1,598,575	1,538,612	2,422,462	2,332,782	2,271,319	2,208,262	2,118,969	968,969	1,053,696	(84,726)

Summary	
Operating Cash Balance (Beginning, Projected)	1,150,000
Total Operating Revenue	1,898,974
Total Operating Expenses	(930,004)
Annual Net Operating Income	2,118,969

Consulting Services Break Out	
Government Affairs	81,600
Ballpark CapEx Support	65,000
Stadium District	97,500
General Office	15,500
Total	259,600

Non-Operating Cash Expenditures
Annual Cap Ex Contribution (Est CPI + 2023 Base) (308,112)

End of Year Projected Cash Balance **1,810,857**

Ballpark PFD Balance Sheet

Oct 2023

ASSETS

Current Assets

Bank Accounts

Cash - Capital Projects Fund	3,927,336.66
Cash - County Tax Revenues Fund	3,021.60
Cash - Impaired Investments	26,136.60
Cash - Neighborhood Improvement Fund	4,922,796.75
Cash - PFD Operations Fund	1,587,683.21
Cash - PFD Reserve	3,620,090.85
Cash Equivalents	-336,884.00

Total Bank Accounts \$ 13,750,181.67

Total Accounts Receivable \$ 32,343,909.47

Total Current Assets \$ 46,094,091.14

Total Fixed Assets \$ 390,073,703.75

Total Other Assets \$ 0.00

TOTAL ASSETS \$ 436,167,794.89

LIABILITIES AND EQUITY

Total Liabilities \$ 92,503,097.21

Total Equity \$ 343,664,697.68

TOTAL LIABILITIES AND EQUITY \$ 436,167,794.89

RESOLUTION NO. _____

A RESOLUTION to approve payments made by the District.

WHEREAS, pursuant to Chapter 36.100 RCW, as amended, the Washington State Major League Baseball Stadium Public Facilities District (“District”) has been created and possesses all the powers of a public facilities district; and

WHEREAS, Resolution No. 478 [Proposed No. 20-002] appointed the District Executive Director, Joshua Curtis, as Auditing Officer; and

WHEREAS, the Board Chair or the Chair’s designee has been designated to review and approve payments, subject to final review and approval by the Board; and

WHEREAS, Board member Mike Fong has been designated by the Board Chair to review and approve payments; and

WHEREAS, the Auditing Officer and Board member Fong has reviewed and approved ballpark vouchers #20230928103516, #20231012115237, and #20231019151909, as produced by King County (the District’s treasurer); credit card statements covering October, 2023; and the October payroll expense reports as produced by Gusto (the District’s payroll administrator); as summarized as follows:

October 2023

<u>Classification</u>	<u>Amount</u>
1. Capital Projects Fund	
2. County Tax Fund	
3. Operating Reserve Fund	
4. Neighborhood Improvement Fund	
5. Operating Fund	
• Salaries/Benefits	
○ Salaries	\$20,061
○ Employee Benefits - Health	\$2,414
○ Employee Benefits – Retirement	\$653
○ Payroll Taxes	\$1,352
• Professional Services	
○ Accounting/Auditing	\$1,463
○ Consulting Services	\$6,527
○ Legal Fees	\$7,034
○ Website & IT Support	\$399
• General & Administrative	
○ Bank, Payroll & Inv. Fees	\$988
○ Board Compensation	

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○ Dues & Subscriptions	\$16
○ Insurance Expense	
○ Office Equipment Rental	\$694
○ Office Supplies	\$2,002
○ Professional Development	\$150
○ Repairs and Maintenance	\$7,981
○ Software Expense	\$270
○ Telephone Expense	\$660
○ Travel	
○ Utilities	\$200
<hr/>	
TOTAL FOR THE PERIOD	\$52,864

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM PUBLIC FACILITIES DISTRICT AS FOLLOWS:

Vouchers #20230928103516, #20231012115237, and #20231019151909, as produced by King County (the District’s treasurer); credit card statements covering October, 2023; and the October payroll expense reports as produced by Gusto (the District’s payroll administrator); are hereby approved.

PASSED by a vote of ___ to ___ this 11th day of December 2023.

BOARD OF DIRECTORS
WASHINGTON STATE MAJOR LEAGUE BASEBALL STADIUM
PUBLIC FACILITIES DISTRICT

Carol Kobuke Nelson, Chair

ATTEST:

Annie Thenell, Clerk



Executive Director Report November 2023

Office Administration

- Office Project – As you'll observe on Monday, the conference room upgrades are very nearly complete. The last item to be completed will be the installation of the new door to the conference room (and window into the Seattle Sports Commission office from the hallway).
- Archiving – We have completed the archiving work in the Mariners' locker room and handed the space back to them. Our archiving consultant is now working on the files in the PFD office and will finish by the March 2024.

Financial and Lease Compliance

- 2022 Audit – The State Auditor's Office is in the final phase of their 2022 audit. I will provide an update to board members at this next Monday's board meeting.

Board Development

- 2023 PFD Board Retreat – Thanks to everyone for a very productive retreat. We have included in the December 11th Board Packet the notes from the session for your review. In addition, Carol will include in here Chair's Report an overview of next steps for tasks identified in the retreat.

Issue/Project Tracking

- Stadium District – We are working with the Mariners on a legislative path forward in 2024 in regards to the Stadium District zoning conversation. I anticipate bringing to the board a proposed path forward at the February 2024 board meeting.
- King County Civic Campus Relocation – King County recently provided a second briefing to the PFD, PSA, Mariners and First and Goal regarding the potential relocation of their Civic Campus (primarily the courthouse, corrections facility, Metro offices, and some supportive services). On the call, we learned that the report will identify the SODO location as a "preferred alternative" when released at the end of December 2023. In addition, the Urban Land Institute identified the project as the subject of the 2024 Hines Student Competition, which will likely generate a number of different design/programmatic options for the SODO campus. More information on the competition can be found [here](#). We also heard that formal recommendations from King County on next steps will come after the competition in April 2024. We suggested to the County staff that the teams be provided an opportunity to brief them on the transportation impacts of major events so that they can take those into consideration in

their planning. As a reminder, actual implementation of whatever they decide likely will not take place for 5-10 years.

Media

- “Rangers face uncertainty in free agency,” The Athletic, November 30, 2023 (impact to Rangers of potential termination of local TV rights)

As such, the Rangers are approaching the free agency market in something of a wait-and-see mode, according to major-league sources who were granted anonymity in order to speak freely. In theory, they still could sign Shohei Ohtani, the top free agent on the market and a player in whom they have interest. Ownership, however, is sorting through how it will approach the market, sources said.

The Rangers and the [Guardians](#) are the two teams most in jeopardy of [losing their rights deals with Diamond Sports Group](#), the parent company of the Bally regional sports networks. The [Guardians received \\$55 million](#) from that deal in 2023, according to cleveland.com. The average value of the [Rangers' 20-year contract](#), which began with the 2011 season, reportedly is \$111 million.

If Diamond drops those two clubs, they could be broadcast by [Major League Baseball](#) in 2024, as the [Padres](#) and [Diamondbacks](#) were last season. Or, the teams could strike a deal with another broadcaster to carry games. Neither team at the moment, though, has any idea of what its 2024 broadcast revenue will be.


The lack of resolution influenced the Guardians' decision on Nov. 14 to part with right-hander [Cal Quantrill](#), who was projected by [MLB Trade Rumors](#) to [earn \\$6.6 million in arbitration](#).

"We don't yet have clarity on that other than there's financial uncertainty, so that makes things a bit harder to plan," [Guardians president of baseball operations Chris Antonetti](#) said. "It's difficult to plan in a normal year at this point in the offseason as we're still trying to wrap our arms around what our revenues might be. The Bally's component adds more uncertainty and that certainly makes it harder."

The Rangers play in a larger market than the Guardians, and obviously are coming off a more successful season. The lack of state income tax in Texas makes them attractive to free agents. And even spending more than \$800 million in the open market the past two offseasons, they still are in a relatively flexible position financially.

Consider how the Rangers' future luxury-tax payrolls compare with those of three of the game's biggest spenders, the [Mets](#), [Padres](#) and [Yankees](#) (luxury-tax payrolls are based on the average annual values of contracts for players on the 40-man roster).

Future luxury-tax payrolls (in millions)

TEAM	2024	2025	2026	2027	2028
 Texas Rangers	\$218.6	\$130.2	\$116.7	\$117.1	\$80.7
 New York Mets	\$275.9	\$158.9	\$120.4	\$108.4	\$75.3
 San Diego Padres	\$242.0	\$174.7	\$162.4	\$162.9	\$134.1
 New York Yankees	\$248.2	\$171.7	\$162.1	\$147.1	\$126.2

Source: Fangraphs

Thresholds for next three seasons: \$237M, \$241M, \$244M (collective-bargaining agreement expires on Dec. 1, 2026)

The Rangers almost certainly will field a highly competitive team next season. But as they wrestle with their changing local-television outlook, it's possible they will not address their needs as quickly or as smoothly as they would like.

The Yankees' payroll flexibility

Another thing in the above chart worth noting: The Yankees' projected numbers are nearly as high as the Padres.' Funny, considering many Yankees fans believe owner Hal Steinbrenner does not spend enough while many in the industry believe the Padres have spent too freely.

The Yankees' projections over the next three seasons are largely the result of paying five players — [Aaron Judge](#), [Gerrit Cole](#), [Carlos Rodón](#), [Giancarlo Stanton](#) and [DJ LeMahieu](#) — in the range of \$150 million annually. Steinbrenner has said a team should not need to spend \$300 million to win a title. If he adheres to that belief, it might be unrealistic to expect the Yankees to sign say, both Japanese right-hander Yoshinobu Yamamoto and first baseman/outfielder Cody Bellinger to massive long-term deals.

Yamamoto, 25, won his third straight Pacific League MVP award on Tuesday, after earlier this offseason capturing his third straight Sawamura Award, the Japanese version of the Cy Young. The expectation is that he will receive a guarantee of at least \$200 million, and speculation within the industry is that market forces could take the number considerably higher.

Waiting on Cease



The White Sox are willing to wait to trade Dylan Cease. (Jamie Sabau/Getty Images)

New White Sox general manager Chris Getz is telling clubs he likely will wait to move on right-hander [Dylan Cease](#) until after the top free-agent starting pitchers sign, according to major-league sources briefed on the discussions.

Getz could act sooner if gets an offer to his liking, perhaps from a team such as the [Orioles](#) or [Reds](#), who are expected to refrain from the top of the free-agent market. But the advantage of waiting is obvious: The urgency of certain teams only will increase if they miss out on Yamamoto, Blake Snell and Co. Some clubs face such an acute shortage, they might be in on Cease even if they sign a top free agent.

The [Dodgers](#), for example, need multiple starters. The [Cardinals](#), sources say, remain interested in Cease even after signing [Sonny Gray](#), [Kyle Gibson](#) and [Lance Lynn](#). It would be uncharacteristic of the Reds and Orioles to jump the market, and their appetite for Cease is unlikely to diminish if the [White Sox](#) wait.

Cease, entering his age-28 season, is under club control for two more years, one more than fellow trade candidates [Corbin Burnes](#), [Tyler Glasnow](#) and [Shane Bieber](#). His combined salary in arbitration over the next two seasons likely will be in the \$25 million range. Glasnow, entering his age-30 season, will earn \$25 million alone in 2024.

Will [Marlins](#) trade a starter?

Almost every offseason, teams come at the Marlins for their starting pitching. This offseason is no different, and the Marlins could trade a starter to address needs at shortstop and/or catcher. The problem is that they already face a shortage of innings in their rotation.

[Sandy Alcantara](#) is out for the season after undergoing Tommy John surgery in October. [Eury Pérez](#) will be on an innings limit after throwing 128 last season, 91 1/3 in the majors. If the Marlins trade a starter, they almost certainly would need to replace him with a veteran free agent on a one-year deal.

Left-handers [Jesús Luzardo](#) and [Braxton Garrett](#) almost certainly are off-limits, but teams are interested in righty [Edward Cabrera](#) and lefty [Trevor Rogers](#), according to sources briefed on the Marlins' conversations.

Cabrera, 25, produced a 4.24 ERA in 99 2/3 major-league innings, missing a month with a right shoulder impingement last season and also spending more than a month at Triple A. Rogers, 26, did not pitch after April 19 due to a left biceps strain and then a partial tear in his right lat, likely compromising his value.

Rangers infielder [Ezequiel Duran](#), who produced a .768 OPS in 439 plate appearances, is the kind of player the Marlins likely would want for Cabrera. The Rangers, though, might not be willing to part with Duran, whom they acquired from the Yankees at the 2021 deadline as part of the return for Joey Gallo. Duran, 24, was valuable as an injury replacement at shortstop and third base and also contributed in the outfield.

[Mariners](#) poised to strike ... maybe

The Mariners are another club that potentially can trade a starting pitcher, but they were in the same position at the trade deadline and held tight. The rotation is the team's strength, reducing the strain on the bullpen and offense, and giving the club a high competitive floor.

That said, the Mariners already have subtracted two important offensive contributors, declining to give free-agent outfielder Teoscar Hernández a qualifying offer and trading third baseman [Eugenio Suárez](#) to the Diamondbacks. Their goal is to find hitters who make better contact and draw more walks. And in a market thin on position players, the best way to do that probably is through a trade.

Only three Mariners position players — center fielder [Julio Rodríguez](#), shortstop [J.P. Crawford](#) and catcher [Cal Raleigh](#) — appear entrenched for 2024. The team can upgrade in practically every other spot, then move pieces around. The subtractions of Hernández and Suárez created payroll flexibility for other moves.

Around the horn

- It will be interesting to see the adjustments Suárez, 32, attempts to make with the Diamondbacks. His career-high 214 strikeouts last season were the most in the AL, and he was not happy about it.

The way Suárez explained it, his approach with two strikes was the same as it was on the first pitch — all out, 100 percent. He acknowledged during the final weekend of the season that it was time for that to change.

- The [Giants](#) had interest in Sonny Gray, whose tenure with the A's overlapped for two seasons with Farhan Zaidi and five with Bob Melvin. Gray, though, was intent on playing relatively close to his home in Nashville, which is about a 4 1/2-hour drive from St. Louis.

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