



Estate Planning for Sports Teams

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The beleaguered Miami Dolphins' first victory Sunday had no long-lasting effect on owner Wayne Huizenga.

Huizenga was undecided about selling the team last week, and although beating the Baltimore Ravens in overtime brought him to tears of joy, he now intends on going forward with the sale, a source close to the billionaire said Monday. To whom, however, remains to be seen.

After word of a \$900 million offer by Manhattan real-estate mogul Stephen Ross leaked Friday, several other suitors have contacted Huizenga. No names have been disclosed, but all are billionaires, according to the source.

The source also revealed Huizenga would consider allowing the potential buyer to buy a minority interest first, then phase himself out until the buyer had full ownership.

Information about the Dolphins' sale mostly comes from sources who asked not to be named because Huizenga has been careful to discuss the deal with few in his inner circle. Team employees, including club President Joe Bailey, have been kept in the dark.

"Negotiations should continue this week," the source said. "Then there'll be a break for the holidays."

So, why is Huizenga finally ready to unload? As it often is with a businessman, it's about dollars and sense.

"He's got a big estate-planning problem," the source said of Huizenga, who turns 70 next week.

If Huizenga were to die while in possession of the Dolphins, the IRS would appraise the team, and Huizenga's heirs could be stuck with a \$450-plus million bill to cover estate taxes. Huizenga's tax share on a sale of the team would be much lower, roughly \$114 million.

"The team and the stadium are Wayne 's only liquid assets," the source said.

Jeffrey Skatoff, a trust and estate attorney in Palm Beach Gardens, said there would be ways for Huizenga to lessen the financial blow.

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"If Huizenga were to pass the team to his wife, there'd be no estate tax until she died," Skatoff said. "There's sophisticated planning that can be done to minimize estate taxes. "This can't be his only motivation."

Huizenga has been maddeningly discouraged by the Dolphins' performance. They lost their first 13 games and threatened to become the first 0-16 team in NFL history before finally winning Sunday.

Given their woeful state on the field, many observers questioned if now is the right time to maximize the value of a team Huizenga bought in stages from the Robbie family, starting in 1990, for \$168 million.

Mitchell Ziets, an investment banker specializing in sports transactions, disagrees with that notion as it pertains to the Dolphins.

"Team performance doesn't hurt the price," Ziets said. "There are bigger drivers of value."

Ross, according to the source, sent Huizenga a written offer in November, but no other paperwork has been signed.

Ross' real-estate development company, The Related Group, meanwhile, is getting an influx of cash that should put NFL owners' minds at ease that he can make a Dolphins down payment that could reach \$450 million.

Ross is scheduled to receive nearly \$1.4 billion total from the government of Abu Dhabi and Dell computers founder Michael Dell to build 20,000 apartments in Manhattan .

"This would be in the upper echelon of sales," Ziets said. "There hasn't been an NFL team on the market since 2004 with the Minnesota Vikings and before that 2001 with the Atlanta Falcons.

"The fact an NFL team is for sale is a big deal, and the price tag is interesting. You usually don't see price tags at that level. The Chicago Cubs are rumored to be at that level and so are the Premier League soccer teams, but this is near the top of the pyramid."

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