

# THE SPORTIER

## Patrick Mahomes.

History was made this past Monday. Kansas City Chiefs Quarterback and former Regular Season and Super Bowl MVP Patrick Mahomes has signed the largest contract in sports history. But did he really? Mahomes can possibly best baseball's Mike Trout, who owns a 12-year / \$426 million deal of all-guaranteed money, as the superstar quarterback signed a 10-year extension that has the potential to reach approximately \$503 million with incentives. As we know, though, football contracts rarely reach the large figures that include all of the non-guaranteed money. Upon signing the contract, Mahomes immediately earned \$63 million dollars. In the event of a catastrophic injury, Mahomes will earn \$140 million dollars in place of the remainder of his contract. Aside from these two figures, the rest of Mahomes' deal is paid on a yearly basis, and as Pro Football Talk radio host Mike Florio put it, it is "a pay-as-you-go deal for the Chiefs." Now, let's examine the following chart to understand more information on Mahomes' contract breakdown.

Year	Base Salary	Signing Bonus	Roster Bonus	Workout Bonus	Cap Hit	Dead Cap
2020	\$825,000	\$4,521,508	-	-	\$5,346,508	\$64,953,413
2021	\$990,000	\$2,000,000	\$21,716,905	\$100,000	\$24,806,905	\$59,606,905
2022	\$1,500,000	\$2,000,000	\$27,400,000	\$550,000	\$31,450,000	\$34,900,000
2023	\$5,500,000	\$2,000,000	\$34,400,000	\$550,000	\$42,450,000	\$4,000,000
2024	\$2,500,000	\$2,000,000	\$34,900,000	\$550,000	\$39,950,000	\$2,000,000
2025	\$2,500,000	-	\$38,900,000	\$550,000	\$41,950,000	-
2026	\$2,500,000	-	\$38,900,000	\$550,000	\$41,950,000	-
2027	\$10,000,000	-	\$49,400,000	\$550,000	\$59,950,000	-
2028	\$13,000,000	-	\$30,900,000	\$550,000	\$44,450,000	-
2029	\$20,500,000	-	\$23,900,000	\$550,000	\$44,950,000	-
2030	\$27,000,000	-	\$22,900,000	\$550,000	\$50,450,000	-
2031	\$38,000,000	-	\$13,900,000	\$550,000	\$52,450,000	-

Courtesy of [USA Today](#)

As you can see, Mahomes' contract is not conventionally laid out. Due to much of the salary being placed in the "Roster Bonus" category, Mahomes' contract is paid year-to-year by the Chiefs. When he signed his contract, Patrick Mahomes guaranteed that he would be paid his base salary and signing bonuses until 2022, and additionally it guaranteed that he would be paid his roster bonuses from the years 2021 and 2022. As the extension kicks in beyond his original contract during the 2022 season, he will be eligible to make \$2.5 million dollars in incentives, half of which is dependent on him leading Kansas City to a Super Bowl appearance, and the other half dependent upon Mahomes winning league MVP. These incentives are available for all 10 years of his extension, but it is quite clear that he will not accomplish these goals every single season. One reason why his 'half-billion' dollar contract is inflated is because it includes the \$25 million in incentives cumulatively over the 10 years, tied to the near-impossibility of reaching the Super Bowl and winning league MVP for a decade. The other, most important reason why Mahomes' contract seems larger than it may be is due to something called "guarantee mechanisms." Though it is tricky to describe, it boils down to a concept of "triggers." Essentially, these mechanisms are triggers that occur every year that will give Mahomes money. The mechanisms give the Chiefs the option, on the third day of every league year, whether or not they would like to cut Mahomes or continue on with his contract. If they decide to cut him, the team faces a hefty penalty, ranging from \$41 million to \$78 million, depending on the year. If they decide to keep him, they will need to fully guarantee the upcoming season. Though it is confusing, the essential breakdown is this: The Chiefs, though it seems the complete opposite, signed Mahomes to a team-friendly deal. They have total control over his future, as they pay him by the year, and a catastrophic injury can result in his potential loss of more than a two-thirds of his potential total. The ball is now in Patrick Mahomes' court: will he make or break this once-in-a-lifetime deal?

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## The Big Apple: In the Works

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It looks like Mets fans have finally found their savior(s). This past week, the first round of bids on the Mets franchise were submitted, and three clear candidates have shown themselves. The first, the fan favorite and the would-be second richest owner in all of sports, is hedge-fund manager and Mets fan Steve Cohen. Worth approximately \$14 billion, Cohen previously signed off on a term sheet to buy the Mets this past winter, pre-pandemic, for \$2.6 billion, though the deal fell through. His current offer will likely not be matched, as he is offering \$2 billion for the money-losing franchise and \$2 billion for ownership of the profitable Mets TV station, SNY. Since Cohen already owns 8% of the Mets, he has the inside scoop on the financial details and the approximate amount of money that the current owners, the Wilpons, will need to pay off their debts. The other two parties, while not as significant as Cohen by on his own, are still in the running. There is the group headlined by power couple Jennifer Lopez and Alex Rodriguez, the latter of whom was a star in the Bronx with the Yankees and grew up a Mets fan. While the two alone are worth \$750 million, their group was able to bid \$1.7 billion for the team alone. The third candidate group, comprised of two experienced sports owners, Philadelphia 76ers and New Jersey Devils owners Josh Harris and Steve Blitzer, also bid within the \$1.7 billion range. Though it is said that Cohen will need to bid \$250 million more than his closest competitor, it is clear that he has the financial capital necessary to not only purchase the team, but to invest what it takes to bring a long-awaited World Series championship back to Queens.

Sources: