

February 25, 2026

WHEREAS, the City, through the Department of Convention and Event Services, negotiated a term sheet with Full Court Partners, LLC d/b/a Dallas Wings, a professional sports team (Dallas Wings), that enabled the team to relocate to the Dallas Memorial Auditorium (Arena) as its resident home base, to include an economic development incentive payable over three calendar years and offsetting revenues over 15 years, to stimulate business and commercial activity in the City and attracting and retaining professional sports franchises and major sporting events to the City pursuant to the provisions under Chapter 380 of the Texas Local Government Code; and

WHEREAS, on April 24, 2024, the City Council authorized a mutually-agreed upon Resident Use and Incentive agreement with Full Court Partners, LLC d/b/a Dallas Wings for the Arena and a secondary facility with three five-year renewal options, for a minimum of 70 days per year for the primary facility and 365-days per year for organizational needs including but not limited to office and training space for the secondary facility, with a \$19,000,000.00 incentive payable over three calendar years (Agreement) by council Resolution No. 24-0616; and

WHEREAS, on May 12, 2025, the Ad Hoc Committee on Professional Sports Recruitment and Retention were briefed about 1200 North Cockrell Road as the potential developable address for the location of the secondary facility; and

WHEREAS, on June 11, 2025, the City Council approved the execution of Supplemental Agreement No. 2 to the Dallas Memorial Auditorium Resident Use and Incentive Agreement (CCT-2024-00024819 Resolution No. 24-0616) with Full Court Partners LLC, d/b/a/ Dallas Wings to include **(1)** the addition of the address for the secondary facility at 1200 N. Cockrell Hill Road; and **(2)** additional negotiation terms; and

WHEREAS, delays have caused the delivery date of the Arena and secondary facility to push into the 2027 WNBA season schedule, requiring the Dallas Wings to stay in its current practice facility and play in an alternate arena during the 2027 season; and

WHEREAS, the budget of the secondary facility required by the Dallas Wings is currently estimated at \$81 million, exceeding the City budget of \$54 million; and

WHEREAS, the Dallas Wings has agreed to front the additional funds required to construct the secondary facility and to serve as a developer to complete the secondary facility in time for the 2027 season; and

WHEREAS, such a development agreement structure will allow the City to enter into a deductive change order with the owner's representative currently leading the secondary facility work; and

WHEREAS, the City Manager and staff now deem it advantageous to approve a developer agreement with Dallas Wings Development LLC, a subsidiary of the Dallas Wings, to partially, fund, construct, and deliver the secondary facility (hereinafter the "Project") by April 2027; and

Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

SECTION 1. That the City Manager is hereby authorized to negotiate and execute **(1)** an economic development grant agreement with the Dallas Wings Development, LLC to construct a facility on City-owned park property located at 1200 North Cockrell Hill Road in an amount not to exceed \$54,000,000.00, a developer fee not to exceed \$3,240,000.00, and a delay reimbursement in an amount not to exceed \$653,000.00; - Financing: Convention Center Construction Fund \$57,893,000.00 **(2)** an amendment to the Dallas Memorial Auditorium Resident Use and Incentive Agreement (CCT-2024-00024819 No. 24-0616) with Full Court Partners LLC, d/b/a/ Dallas Wings; and **(3)** a decrease in project management services contract with McKissack and McKissack for a reduction in scope to eliminate the Dallas Wings Practice Facility in the amount not to exceed (\$1,847,485.00), from \$13,945,684.00 to \$12,098,199.00 – Financing: Convention Center Revenue Bonds Series 2023 Fund; For a total not to exceed \$56,045,515.00 - Financing: Convention Center Construction Fund and Convention Center Revenue Bonds Series 2023 Fund.

SECTION 2. That upon Director's verification of construction delivery phasing and substantial completion of the required Project components and Developer's compliance with all terms and conditions in the development agreement executed pursuant to this resolution, the Chief Financial Officer is hereby authorized to disburse funds up to \$54,000,000.00 In Project Costs and up to \$3,240,000.00 in Developer Fees to Dallas Wings Development LLC, as follows:

Installment 1 of \$10,000,000.00 will be paid to the Developer upon execution of the development agreement (a portion of which may be used to reimburse Developer for all expenses incurred by Developer in relation to the Project prior to the execution of the Agreement) from Convention Center Construction Fund, Fund 0082, Department CCT, Unit W433, Object 4116, Program PBC00032, Vendor VS94268

Installment 2 of \$15,000,000.00 will be paid to the Developer upon commencement of the foundation construction from Convention Center Construction Fund, Fund 0082, Department CCT, Unit W433, Object 4116, Program PBC00032, Vendor VS94268

Installment 3 of \$25,000,000.00 will be paid to the Developer upon completion of the foundation and early structural framing, as reasonably determined by the Director from Convention Center Construction Fund, Fund 0082, Department CCT, Unit W433, Object 4116, Program PBC00032, Vendor VS94268

Installment 4 of all remaining City Contribution funding (~\$4,000,000.00) will be paid to the Developer upon completion of the shell building and roof, including electrical and plumbing from Convention Center Construction Fund, Fund 0082, Department CCT, Unit W433, Object 4116, Program PBC00032, Vendor VS94268

SECTION 2. (continued)

The Developer's Fee will be paid to the Developer upon Substantial Completion of the Project. The Developer's Fee will be the lesser of 4% of the actual Project cost or \$3,240,000.00 from Convention Center Construction Fund, Fund 0082, Department CCT, Unit W433, Object 4116, Program PBC00032, Vendor VS94268

SECTION 3. That the Developer shall complete design, partially fund, and construct the Required Project Components and any related public infrastructure improvements on, and adjacent to, the 1200 North Cockrell Road (the Property) a.

SECTION 4. That, in addition to the conditions set out in the sections above, the Agreement is hereby expressly made subject to the following contingencies:

- A. Required Project Components.** The Project shall include the following (Required Project Components)
- a. A total facility size of approximately 70,000 square feet or such lesser amount of square feet as may be determined by Developer so long as the facility meets the Dallas Wings' needs to function as a WNBA practice facility
 - b. A total community benefit space size of approximately 3,400 square feet
 - c. A minimum of two basketball courts, locker rooms, a weight room, a kitchen, restrooms (to be used by the Dallas Wings and its employees, agents and invitees), and other facilities, in each case comparable to those facilities customary for a WNBA practice facility
 - d. In connection with the development of the Project, Developer agrees to collaborate with the City as the City develops four (4) soccer fields and connecting trails adjacent and near the secondary facility to ensure cohesive design and aesthetics of the soccer fields, adjacent trails and the secondary facility. Notwithstanding anything herein to the contrary, the City shall be solely responsible for all costs associated with the development and construction of the soccer fields and adjacent trails and such costs shall be excluded from the Project Budget

SECTION 4. (continued)

- B. Project Financing.** The funding sources for the Project, following the execution of the Agreement, are composed of (i) \$54,000,000.00 from the City, less any funds the City has previously expended or expends prior to the Developer's commencement of the Project (the balance after such deduction shall be the City Contribution), and (ii) all amounts in excess of the City Contribution necessary to complete the Project from the Dallas Wings (the "Wings Contribution", and collectively with the City Contribution, the "Project Budget"), which is currently estimated to be approximately \$81,000,000.00 (the "Estimated Project Budget") inclusive of estimated contingencies that are subject to change or reduction as the Project progresses. The Developer Fee (defined below) will also be funded by the City and such amount is in addition to, and not included in, the City Contribution.
- C. Economic Development Grant.** In consideration of Developer's delivery of the Project and performance of the Required Project Components, City offers an economic development grant in a total amount not to exceed (i) the City Contribution, and (ii) the Developer Fee (collectively, the "Grant"). In addition, the City will provide a Delay Reimbursement in an amount not to exceed \$653,000.00 as consideration for a release and covenant not to sue. The Grant shall be used to cover actual costs incurred by the Developer for the Project. The Grant will be payable in multiple installments .
- a. **Documentation of Costs.** The work will be confirmed by the Director based on a review of documentation of the actual costs to be incurred by Developer to construct the Project, and if the actual amount expended by Developer for the Project is lower than the City Contribution, then the City Contribution will be reduced to that amount. The Developer will submit to the City customary documentation of the actual costs incurred by the Developer for the Project as more particularly set forth in the Agreement.
- b. **Cost Savings.** If the Developer is able to achieve cost savings and construct the Project in material conformance with the Plans and Specifications for a cost lower than the Estimated Project Budget, then such cost savings shall be for the benefit of the Dallas Wings. However, if savings reduce the Project Budget to an amount below the amount of the City Contribution, the savings shall be for the benefit of the City. The parties agree to work in good faith to preserve any potential tax exemptions available to the Project.
- D. Additional Terms.**
- a. **Developer Fee.** The developer fee for the Project ("Developer Fee") will equal 4% multiplied by the Project Budget (excluding the Developer Fee and subject to the limitations in the Agreement, but no event shall the Developer Fee be greater than \$3,240,000.00.

SECTION 4. (continued)

- b. Permitting. The Developer will submit an initial permit package for the Project no later than August 15, 2026, subject to the geotechnical study being timely delivered by the City and that such geotechnical study does not disclose conditions that require redesign of the foundation.
- c. Substantial Completion Deadline. The Developer will use commercially reasonable efforts to ensure that construction of the Project (including delivery of all Required Project Components and City acceptance of any public infrastructure improvements) will be substantially complete by April 1, 2027, as may be extended as described herein and as evidenced by certificate(s) of occupancy, letter(s) of acceptance, certificate(s) of completion, and/or similar documentation issued by the City (“Substantial Completion”).
- d. Payment and Performance Bonds. Developer shall provide evidence of a payment and performance bond by the Developer’s General Contractor prior to beginning construction on the Project.
- e. Quarterly Reporting. The Developer will submit to the City quarterly status reports for ongoing work on the Project in a mutually agreed upon form to be attached to the Agreement. Such status reports will be due within 30 calendar days following the end of each calendar quarter after the City Council authorization of the Agreement and will continue until Completion. City staff will also meet with the Developer on a pre-established cadence to ensure consistency within the quarterly report.
- f. Deadline Extensions. City Manager may administratively authorize extensions of the Project’s material dates and deadlines by up to twelve (12) months for just cause. Such extensions will be documented in writing but will not require City Council approval.
- g. Excess Project Costs. Subject to the terms herein, the Developer is responsible for Project costs in excess of the City Contribution.
- h. FF&E. The Dallas Wings will own all right, title, and interest in and to certain team-owned furniture, fixtures and equipment included within the Project.

SECTION 4. (continued)

- i. Default. The Agreement will contain customary defaults and remedies for an agreement similar to the Agreement, including, to the extent due to (a) any late payments of the Grant and/or Developer Fee, or (b) delays in construction of the Project caused by the City, the Developer's right to exercise all rights and remedies granted by law. Neither party shall be liable for consequential, punitive, or special damages.
- j. Assignment. The Agreement is not assignable by either party.
- k. Relationship to Other Vendors. McKissack and McKissack currently has an agreement to serve as the City's owner's representative for the Project, but this item amends that agreement to exclude any additional work on the Project.
- l. Reimbursements for Delay. The parties acknowledge that the Dallas Wings has asserted that it suffered damages arising from delays in the delivery of the secondary facility. In compromise and settlement, along with the additional consideration described herein, of such alleged claims directly related to the delays in the delivery of the secondary facility, and without admission of liability or wrongdoing, the City agrees to pay the Dallas Wings a lump sum of \$653,000 (the "Delay Reimbursement"). The Delay Reimbursement is in addition to, and not included in, the City Contribution. Payment of the Delay Reimbursement shall be made upon the execution and delivery of the Agreement.
- m. Release and Covenant Not to Sue. As an express and material condition to the City's payment of the Grant and Delay Reimbursement to Developer and/or the Dallas Wings, as applicable, as described in this Letter of Intent, but expressly subject to the parties' execution and delivery of the Agreement, Developer agrees that the Agreement shall include a provision pursuant to which Developer, on behalf of itself and its affiliates, officers, managers, members, successors, and assigns, (i) releases and forever discharges the City and its past and present elected officials, officers, employees, and agents from any and all claims, known or unknown, related to the City's failure to deliver the secondary facility in the timeline set forth in the Dallas Memorial Auditorium Resident Use and Incentive Agreement (Previous Agreement), and (ii) covenants not to sue the City for any such matters related to the City's failure to deliver the secondary facility in accordance with the terms of the Previous Agreement. Such release shall not apply to obligations expressly created under the Agreement or amendments to the Previous Agreement.

SECTION 4. (continued)

- E. Supplementals to the Previous Agreement. The parties acknowledge and agree that the Dallas Wings and the City shall enter into that certain Supplemental Agreement No. 3 to modify completion dates of the Arena and Project revenue sharing terms and to document the payment for costs incurred by the Dallas Wings due to the Project delay. The supplement will also provide for the transfer of the construction obligations for the secondary facility from the City to the Dallas Wings.

SECTION 5. That a decrease in the project management / owner's representative contract with McKissack and McKissack (Change Order No. 1) is necessary for a reduction in scope to eliminate the secondary facility decreasing the contract by \$1,847,485.00, from \$13,945,684.00 to \$12,098,199.00.

SECTION 6. That the Chief Financial Officer is hereby authorized to reduce the encumbrance in an amount not to exceed \$1,847,485.00 to the McKissack and McKissack contract from the Convention Center Revenue Bonds Series 2023 Fund, Fund 2127, Department CCT, Unit W433, Activity CCIM, Object 3070, Program PBC00032, Encumbrance/Contract No. CCT-2024-00024247, Vendor VC30928.

SECTION 6. Should either the execution of the Agreement not occur or the executed Agreement fail to include both a provision that releases and forever discharges the City and its past and present elected officials, officers, employees, and agents from any and all claims, known or unknown, rising from or relating to its actions or inactions, including delays, defaults, timing, planning, design, funding, or delivery of the Project or secondary facility, under the Previous Agreement, and a covenant not to sue the City for any such matters, the portion of the Resolution authorizing the Grant shall thereafter be null and void.

SECTION 7. That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.