



Legislation Text

File #: 24-153, Version: 1

STRATEGIC PRIORITY: Quality of Life, Arts & Culture
AGENDA DATE: January 24, 2024
COUNCIL DISTRICT(S): 7
DEPARTMENT: Park & Recreation Department
EXECUTIVE: John D. Jenkins

SUBJECT

Authorize **(1)** the fourth amendment to extend the Cotton Bowl Stadium Agreement with State Fair of Texas, The University of Oklahoma (“OU”), The University of Texas (“Texas”), and the City of Dallas for the City’s participation as a third party beneficiary to the State Fair/Texas-OU Cotton Bowl Stadium Agreement from 2026 through 2036; and **(2)** the disbursements to each university, subject to the annual University of Texas versus University of Oklahoma football game being played at the Cotton Bowl, in the amount of \$500,000.00 each beginning in 2026 through 2036 - Total not to exceed \$11,000,000.00 - Financing: General Fund (subject to annual appropriations)

BACKGROUND

On May 23, 2007, the City Council authorized (1) the City’s participation as a third party beneficiary to the State Fair/Texas-OU Cotton Bowl Stadium Agreement by providing each university a game fee, subject to the annual University of Texas versus University of Oklahoma football game being played at the Cotton Bowl, in the amount of \$125,000.00 each in 2007, \$425,000.00 each beginning in 2008 through 2011, and \$500,000.00 each beginning in 2012 through 2015, for an amount not to exceed \$7,650,000.00; and (2) the City to provide Grambling State University versus Prairie View A&M University football game being played at the Cotton Bowl, in the amount of \$25,000.00 each in 2007 and \$75,000.00 each beginning in 2008 through 2015, for an amount not to exceed \$1,250,000.00, for a total amount not to exceed \$8,900,000.00, by Resolution No. 07-1539.

On May 16, 2012, the City Council authorized (1) the first amendment and the City’s participation as a third party beneficiary to the State Fair/Texas-Oklahoma Cotton Bowl Stadium Agreement by providing each university a game fee, subject to the annual University of Texas versus University of Oklahoma football game being played at the Cotton Bowl, in an amount of \$500,000.00 each beginning in 2016-2020 for an amount not to exceed \$5,000,000.00; and (2) the City to provide Grambling State University and Prairie View A&M University a game fee subject to the Grambling State University versus Prairie View A&M University football game being played at the Cotton Bowl, in the amount of \$75,000.00 each, in an amount not to exceed \$750,000.00, for a total amount not to exceed \$5,750,000.00, by Resolution No. 12-1358.

On September 24, 2014, the City Council authorized (1) the second amendment to the Cotton Bowl Stadium Agreement with State Fair of Texas, The University of Oklahoma (“OU”), The University of Texas at Austin (“Texas”), and the City of Dallas for the City’s participation as a third party beneficiary to the State Fair/Texas-OU Cotton Bowl Stadium Agreement by providing each university a game fee, subject to the annual University of Texas versus University of Oklahoma football game being played at the Cotton Bowl, in the amount of \$500,000.00 each in 2021 through 2025, in the amount of \$5,000,000.00; and (2) the City to provide Grambling State University versus Prairie View A&M University football game being play at the Cotton Bowl, in the amount of \$75,000.00 each beginning in 2021 through 2025, for a total of \$750,000.00, by Resolution No. 14-1600.

On August 20, 2019, the parties entered into a third agreement by letter agreement stating that the State Fair of Texas shall have the exclusive right to all concessions in and around the Cotton Bowl Stadium, including the sale of all food and beverages.

This action will authorize the fourth amendment to extend the Cotton Bowl Stadium Agreement with the State Fair of Texas, The University of Oklahoma (“OU”), The University of Texas at Austin (“Texas”), and the City of Dallas for the City’s participation as a third party beneficiary to the State Fair/Texas-OU Cotton Bowl Stadium Agreement from 2026 through 2036; and by providing each university a game fee, subject to the annual University of Texas versus University of Oklahoma football game being played at the Cotton Bowl, in the amount of \$500,000.00 each beginning in 2026 through 2036, for a total amount not to exceed \$11,000,000.00.

Below are the significant deal points of the amendment.

- Universities can jointly terminate for cause if the City or State Fair fails to timely pay any of the fees.
- Universities can jointly terminate in the event the City fails to renovate Cotton Bowl Stadium with Phase I Improvements completed on or before September 1, 2026.
- Universities can jointly terminate after October 30, 2030, in the event the City fails to present on or before September 1, 2030, a viable construction plan and funding solution for Phase II Improvements of the Cotton Bowl to be completed on or before September 1, 2034.
- Phase I Improvements: The City of Dallas agrees to invest \$140 million (estimated project budget) for Phase I Improvement to the west side of the Cotton Bowl Stadium. Phase I Improvements will include renovations and upgrades to concourses, restrooms, concession areas, and improvements to ingress/egress.
- Phase II Improvements: The City of Dallas agrees to renovate the east side of the Cotton Bowl Stadium, similar to Phase I Improvements. Construction plan and funding solution to be presented to Universities on or before September 1, 2030, with Phase II Improvements completed on or before September 1, 2034.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On September 1, 2004, the City Council authorized the City to provide game fees to The University of Texas, The University of Oklahoma, Grambling State University and Prairie View A&M University on an annual basis for five years, subject to annual appropriations, beginning 2004 and ending 2008, by Resolution No. 04-2501.

On May 23, 2007, the City Council authorized the City’s participation as a third-party beneficiary to the State Fair/Texas-OU Cotton Bowl Stadium Agreement by Resolution No. 07-1539.

On May 16, 2012, the City Council authorized the first amendment to the City’s participation as a third-party beneficiary to the State Fair/Texas-OU Cotton Bowl Stadium Agreement by Resolution No. 12-1358.

On September 24, 2014, the City Council authorized the second amendment to the City’s participation as a third-party beneficiary to the State Fair/Texas-OU Cotton Bowl Stadium Agreement by Resolution No. 14-1600.

On January 11, 2024, the Park and Recreation Board authorized (1) the fourth amendment to extend the Cotton Bowl Stadium Agreement with State Fair of Texas, The University of Oklahoma (“OU”), The University of Texas at Austin (“Texas”), and the City of Dallas for the City’s participation as a third party beneficiary to the State Fair/Texas-OU Cotton Bowl Stadium Agreement from 2026 through 2036; and (2) by providing each university a game fee, subject to the annual University of Texas versus University of Oklahoma football game being played at the Cotton Bowl, in the amount of \$500,000.00 each in 2026 through 2036.

FISCAL INFORMATION

Fund	FY 2026	FY 2027	Future Years
General Fund	\$1,000,000.00	\$1,000,000.00	\$9,000,000.00

MAP

Attached