



Legislation Text

File #: 20-92, **Version:** 1

STRATEGIC PRIORITY: Quality of Life
AGENDA DATE: January 8, 2020
COUNCIL DISTRICT(S): 2
DEPARTMENT: Mayor and City Council Office
EXECUTIVE: Kimberly Bizer Tolbert

SUBJECT

Authorize a twenty-year agreement with one ten-year renewal option and two additional five-year renewal options, with Reverchon Park Sports and Entertainment, LLC, for the development, operation, and maintenance of a proposed new athletic field and stadium at Reverchon Park located at 3505 Maple Avenue - Annual Revenue: [Reverchon](#) Park ~~and Recreation~~ Beautification Fund \$30,000.00 ([see Fiscal Information](#))

BACKGROUND

On December 1, 2016, the Park and Recreation Board was briefed regarding potential opportunities for the development and operation of a new ballpark at Reverchon Park. The City of Dallas Park and Recreation Department (PKR) staff received direction to hold a public input meeting and then issue a Request for Proposals.

On July 12, 2017 and September 12, 2017, PKR held public meetings with the community and stakeholders. On June 26, 2019 and July 3, 2019, the City of Dallas advertised the Request for Proposals for the subject project. In response to this advertisement, the Office of Procurement Services received one proposal from Reverchon Park Sports and Entertainment, LLC (RPSE) on July 19, 2019.

It is proposed that RPSE, the developer, and the City enter into a development, operation and maintenance agreement which outlines the roles and responsibilities for the proposed athletic field and stadium. (~~Proposal Tracking Summary attached~~).

~~Following are the proposed deal points:~~ [Following are the proposed deal points as briefed to City Council on November 19, 2019. Based on City Council input, Park & Recreation will provide additional changes to the terms of the agreement by memorandum as well as an accompanying motion to amend the resolution before the December 11, 2019 City Council Agenda meeting.](#)

General

1. RPSE will replace the existing Reverchon baseball field and bleachers with a new, improved facility consisting of:
 - 2,000 seats, including accessible seats, and additional 1,500 bleacher seats.
 - A support facility that includes restrooms, concessions, locker rooms, and dugouts for each team.
 - Public restrooms accessible to the users of the rest of Reverchon Park.
 - The new design will reflect the original spirit of the park and include building materials will contain the same historic character as found in the rest of the park.
2. RPSE will be responsible for development, design, marketing, sponsorships, branding, advertising, sales, and daily facility operations and maintenance.
3. RPSE will prove necessary funds for design have been raised no later than the City Council award date. RPSE will prove necessary funds for construction have been raised no later than 12 months after the City Council award date.
4. The City will have the right to audit and receive accountings from RPSE's Construction Account.
5. RPSE will provide an approved design and start construction no later than 12 months after the City Council award date.
6. RPSE will complete the construction phase no later than 18 months from the approval to start construction.
7. RPSE will comply with the City's Business Inclusion and Development Plan, making a good faith effort to achieve the percentage goal for Minority and/or Women-owned Business Enterprises (M/WBE).
 - RPSE will provide reports of the M/WBE participation at the initiation of design, commencement of construction, and completion of construction.
8. RPSE will carry insurance as required by the City's Risk Management Office for entire agreement period. RPSE will also include construction warranties and Payment and Performance Bonds.
9. RPSE has naming rights, subject to approval of the PKR Director.

Design and Construction

1. The new design will reflect the original spirit of the park. Building materials will contain the same historic character as found in the rest of the park.

2. RPSE will submit schematic design and construction documents to PKR. The schematic design and construction documents will be presented to the Park and Recreation Board's Planning and Design Committee's for review.
3. RPSE will arrange and lead public input meetings and meetings with other stakeholders during the design process.
4. The new design will include signage, styled after existing signage, that directs people to the Reverchon Athletic Field from Maple Avenue and Turtle Creek Boulevard. This is separate from the existing gateway sign.
5. Parking:
 - RPSE will repave the parking lot and consider using permeable paving or similar system. 30 spaces will remain
 - RPSE is currently developing an agreement with adjacent parking garages (as shown in Exhibit A) for the additional spaces required for the building permit. RPSE will finalize this parking agreement before the City executes the agreement.
 - Scottish Rite Hospital has over 850 spaces
 - 3500 Maple/Parkside Tower has over 600 space
 - Concord 2/Balfour Beatty has over 600 spaces
6. RPSE will provide photometrics for exterior lighting. PKR will review and approve the lighting design for the project.
7. PKR will provide tree assessments. If any trees are removed from the site, RPSE will provide tree mitigation.
8. The estimated design and construction cost of the development is \$15,000,000.00.
9. RPSE will provide new water, electric, and gas service meters and major supply lines to the site.

Operations and Maintenance

1. RPSE will provide all maintenance of the facility, fields, and parking lot. The agreement will denote the boundary of maintenance responsibility in a precise site plan.
2. RPSE will use funds from naming and branding rights, sponsorship, season ticket sales, suite sales, etc. to offset annual operational expenses. City will have approval of all advertisers, advertisements, and placement of any advertising.
3. RPSE will replace the worn areas of the artificial turf field as needed.
4. RPSE will carry insurance that covers routine usage and operation of complex.
5. RPSE will provide a traffic control plan for all proposed (typical and unique) events.

6. The parking lot will always be accessible to the public, except when ticketed events occur at the facility.
7. RPSE to schedule for the professional teams, other amateur leagues, and other events (note - multiple events can be scheduled on the same day):
 - Professional Baseball: 50 uses from May to September
 - Professional Soccer: 14-16 uses from March to September
 - Professional Rugby: 10-12 uses from January to June
 - Professional Lacrosse: 2 dates from June to September
 - Concerts: 6-12 events per year
 - PKR Youth Leagues: 20-30 uses from March to November
 - Community Events (races, festivals) and Holiday Events
 - Existing users, such as Dallas Independent School District (DISD), North Texas Amateur Baseball League, Mexican Amateur Baseball League, Dallas Veterans Baseball League
8. DISD will be given 90 days' notice if their event needs to be rescheduled.
9. Hourly rental fees for existing users will not change (\$31.00 daytime and \$61.00 evening) for one year.
10. RPSE will pay to PKR, annually, the greater of (i) \$30,000.00; or (ii) that amount equal to the sum of ~~\$0.25 per paid ticket sales annually, (a) 4.0% of net concession (food and beverage sales) revenues to be used for additional maintenance (as a result of the new activity) and future improvements in the rest of Reverchon Park.~~

~~RPSE and PKR agrees to renegotiate net concessions payments beginning in year four, occurring every four years thereafter, and with new annual revenue payment amounts being implemented in year five and occurring every five years thereafter, for of the term thereafter. RPSE and the City will evaluate total ticketed sales, non-ticketed event revenues, concessions revenues and sponsorship/naming rights revenues for the period of the review and set appropriate annual revenue payments to the City as agreed to by both parties. However, if the parties are unable to agree on annual revenue payments by 180 days before the end of the fourth, eighth and twelfth year of the initial Term, then the amount of annual revenue payments to the City will be equal to an amount not less than 8% of net concession revenues for the preceding year, and unless the parties subsequently agree on annual revenue payments for the remainder of such four year period, the annual revenue payment shall remain 8% of net concessions revenues of the preceding year.~~

~~Annual revenue payment will be reviewed for the opportunity to adjust, up or down, every five years during the Term or Renewal Term(s). The rates will be adjusted if the annual number of paid ticket sales increases or decreases by more than 5 percent based on the best three year average in a four year period.~~

10. In consideration of City's granting to RPSE the right to manage and operate the Premises, RPSE shall pay to the City, annually, during the Term of this Agreement the greater of \$30,000.00 or an amount equal to the sum of \$0.25 per paid ticket sales annually in the first through fourth contract year. Beginning in year five, RPSE shall pay to the City the greater of \$60,000.00 or an amount equal to the sum of \$0.50 per paid ticket sales annually. Dollars collected from RPSE during the term of this agreement shall be deposited in the RPSE Park Fund. The RPSE Park Fund shall be used to support maintenance for the Premises and future capital improvements for the entire Reverchon Park as determined by both parties.

The annual paid ticket fee will be reviewed every five years beginning in the tenth contract year during the Term or Renewal Term(s) of this Agreement and may be adjusted beginning in the following contract year if the annual number of paid ticket sales changes by more than 10 percent, based on the best three year average in the most recent four year period.

In addition to the annual paid ticket fee, at such time the earlier of the following occurring (a) Year 15 of the Operating Agreement or (b) Return of the RPSE's investment into the new Ballpark [as agreed by both parties and including an nominal return], RSPE shall pay to the City annually, for the remaining Term or Renewal Term(s) of this Agreement, 50 percent of PILOT for Net Revenue greater than or equal to \$500,000.00; 75 percent of PILOT for Net Revenue greater than or equal to \$750,000.00, or 100 percent of PILOT for Net Revenue greater than or equal to \$1,000,000.00. The PILOT will be capped at \$120,000.00 for the initial term.

11. RPSE will submit their hours of operation for PKR Director approval.

12. RPSE will submit their schedule of events semi-annually to the PKR Director for review and determination made for any needs related to noise, parking, traffic plans, security, or concerns specific to planned events.

~~42.~~13. RPSE will comply with all City, State and Federal Ordinances, Regulations, and Codes.

~~43.~~14. Park users will have access to public restrooms. PKR staff will maintain the restrooms serving the park.

~~44.~~15. RPSE will pay for their utility usage.

~~45.~~16. RPSE estimates 1,356,650 attendees for 656 event days, during the first five years.

~~46.~~17. City reserves the right to audit all accounts during the term of the agreement.

~~47.~~18. RPSE will operate and manage the All-Abilities Field in accordance with standards, policies and procedures approved by the Director.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On December 1, 2016, the Park and Recreation Board was briefed regarding potential opportunities for the development and operation of a new ballpark at Reverchon Park.

On October 10, 2019, the Park and Recreation Board authorized a twenty-year development, operation, and maintenance agreement, with one ten-year and two additional five-year renewal options with Reverchon Park Sports and Entertainment, LLC for a proposed new athletic field and stadium at Reverchon Park located at 3505 Maple Avenue.

[On November 19, 2019](#), City Council was briefed on the Reverchon Park Development, Maintenance, and Operation Agreement ~~on November 19, 2019~~.

[On December 11, 2019, City Council considered this item. The motion to approve did not receive a majority vote.](#)

FISCAL INFORMATION

Annual Revenue: [Reverchon](#) Park ~~and Recreation~~ Beautification Fund \$30,000.00

| Estimated Annual Median Net Revenue | |
|---|------------------------------|
| Years 1 thru 4 | \$69,788.00 |
| Years 5 thru 14 | \$139,575.00 |
| Years 15 thru 20 | \$249,575.00 |

Revenues will be retained by PKR for maintenance and future improvements at Reverchon Park as well as to provide youth recreation scholarships for youth to participate in PKR recreation leagues.

OWNER

Reverchon Park Sports and Entertainment, LLC

Donnie Nelson, Owner

MAP

Attached