



Legislation Text

File #: 20-1889, Version: 1

STRATEGIC PRIORITY: Government Performance and Financial Management
AGENDA DATE: October 13, 2020
COUNCIL DISTRICT(S): 2
DEPARTMENT: Department of Convention and Event Services
EXECUTIVE: Joey Zapata

SUBJECT

Authorize a letter amendment to the Lease Agreement between the City of Dallas and the Arena Group to grant the request by the Center Operating Company, L.P. for a one-time deferment of the October 1, 2020 rent payment for the American Airlines Center in the amount of \$3,400,000.00 until April 30, 2021 - Financing: This action has no cost consideration to the City (see Fiscal Information)

BACKGROUND

On December 10, 1997 the Lessee and Lessor entered into an Arena Master Agreement regarding the construction and financing of the Arena Project as a sports and community venue project in the City of Dallas, Texas for the use and benefit of the public pursuant to the Act.

On January 17, 1998, the voters of the City of Dallas, Texas approved the Arena Project as a sports and community venue project under the Act. Accordingly, the Arena Project is an "approved venue project" under the Act, and this Lease is being entered into as provided in the Master Agreement and to facilitate such approved venue project.

On July 28, 1998, the City entered into a Lease Agreement with Arena/Dallas Stars, Inc., Hillwood Arena Partners, Inc., DBL Arena Partners, Inc., and Corporate Arena Associates Inc. referred to collectively as "The Arena Group" by Resolution No. 97-3998.

ESTIMATED SCHEDULE OF PROJECT

Began Deferment March 2020
End Deferment April 30, 2021

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

The Government Performance & Financial Management Committee was briefed regarding this matter on September 22, 2020.

FISCAL INFORMATION

This action has no cost consideration to the City. Revenue for the rent payment on the American Airline Center lease has been collected annually since 1998. If approved, this item will merely delay the FY21 payment until April 30, 2021 and will not change the amount of total FY21 revenue collected.

OWNER

Center Operating Company, L.P.

Craig Courson, Chief Executive Officer