



Legislation Text

File #: 20-2370, **Version:** 1

STRATEGIC PRIORITY: Government Performance and Financial Management
AGENDA DATE: December 9, 2020
COUNCIL DISTRICT(S): 2
DEPARTMENT: Department of Convention and Event Services
EXECUTIVE: Joey Zapata

SUBJECT

Authorize a contract with Center Operating Company, L.P. to cover previously unbudgeted costs of necessary expenditures incurred due to the Coronavirus Disease 2019 pandemic for protective supplies and retrofitting under the Coronavirus Aid, Relief, and Economic Security Act for the American Airlines Center - Not to exceed \$600,000.00 - Financing: U.S. Department of Treasury - Coronavirus Relief Funds

BACKGROUND

On December 10, 1997, Center Operating Company ("COC") and the City of Dallas entered into the 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. Shortly thereafter, on January 17, 1998, voters approved the Arena Project and 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.

Although the subject of a lease agreement, the American Airlines Center (the "AAC") remains a city of Dallas owned property assigned to the Department of Convention and Event Services (CES) property portfolio. As such, the AAC has been included in CES work to assess the condition of all properties in its portfolio to assure consistency in the City's facility retrofitting response, including the installation of touchless technology for staff and visitors, ultraviolet sanitization upgrades, and the acquisition and distribution of medical and protective supplies, including sanitizing products and personal protective equipment for the safety of workers in connection with the novel Coronavirus Disease 2019 (COVID-19) public health emergency. The AAC facility has been assessed in need of facility retrofitting and other measures for adequate COVID-19 response, and although leased to COC, the identified facility needs have been identified as previously unbudgeted costs of necessary expenditures incurred due to the Coronavirus Disease 2019 public health emergency. CES, therefore, has requested COVID-19 relief funding assistance of \$600,000.00 be provided to COC for the previously unbudgeted costs of facility retrofitting and other protective measures due to the COVID-19 emergency and in alignment

with the April 22, 2020 City Council authorization for the City Manager to spend funds in compliance with the CARES Act and in accordance with the guidance from the U.S. Department of Treasury for the Coronavirus Relief Funds by Resolution No. 20-0644.

The Coronavirus Aid, Relief, and Economic Security (CARES) Act provides that payments from the Coronavirus Relief Funds may only be used to cover costs that (1) are necessary expenditures incurred due to the public health emergency with respect to COVID-19; (2) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the state or government; and (3) were incurred during the period that begins on March 1, 2020 and ends on December 30, 2020.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On April 22, 2020, City Council authorized the acceptance of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Coronavirus Relief Funds (CRF) to aid the COVID-19 response throughout the City by Resolution No. 20-0644.

On June 17, 2020, City Council was briefed on the proposed uses of Coronavirus Aid, Relief and Economic Security Act (CARES Act), Coronavirus Relief Funds (CRF) funds to facilitate assistance to eligible communities and households economically impacted by COVID-19.

FISCAL INFORMATION

Fund	FY 2021	FY 2022	Future Years
U.S. Department of Treasury - Coronavirus Relief Funds	\$600,000.00	\$0.00	\$0.00

OWNER

Center Operating Company, L.P.

Craig Courson, Chief Executive Officer