

**To the Mayor and Members of the City Council****August 20, 2024**

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SUBJECT: COWTOWN COLISEUM LICENSE AGREEMENT AMENDMENT

The purpose of this Informal Report is to provide an update on a proposed amendment to the Cowtown Coliseum license agreement with Stockyards Coliseum, LLC.

On February 12, 2002, City Council authorized the execution of a license agreement for the management and operation of Cowtown Coliseum located at 121- 133 East Exchange Avenue (M&C C-18960).

On December 17, 2019, City Council authorized the execution of an amended and restated License Agreement for the management and operation of Cowtown Coliseum (M&C 19-0401) wherein the management and operation was assigned to Stockyards Coliseum, LLC (Stockyards Coliseum) and Stockyards Coliseum agreed to pay the City of Fort Worth an annual payment, in arrears, equal to 20% of the net profits generated from the operation of the Cowtown Coliseum in addition to participating in a 50/50 partnership with the City to fund capital improvements using the City's net profits as the City's contribution.

Stockyards Coliseum has an ongoing interest in making investments in Cowtown Coliseum to ensure that it's future includes a broad variety of on-brand western entertainment and other programming that is designed to drive tourism and economic growth in the Stockyards area. In order to support the ongoing development in the Stockyards, staff is proposing to amend the license agreement that will (1) reduce the City's percentage of net profits from 20 to 12%, (2) add terms that will allow the City to utilize the net profit for debt service coverage related to the planned Stockyards Phase II Parking Garage, and (3) provide that the additional 8% of net profits remaining with the operator will be earmarked for efforts to promote the Stockyards area.

Under the proposal, Stockyards Coliseum will pay the City, in arrears, an annual payment of 12% of the net profits generated from the operation of the Cowtown Coliseum for the duration of the term of the license agreement which expires July 15, 2035. The annual payment will be dedicated for the benefit of the Stockyards and allocated as follows: (i) 66.67% of the annual payment will be deposited into a specially designated fund for debt service related to the Phase II Parking Garage; and (ii) 33.33% of the annual payment will go to the City's General Fund. All annual payments owed to the City will be due and payable on or before April 1st of the year following the year in which the net profits were generated.

If you have any questions concerning this information, please contact Robert Sturns, Economic Development Director at 817-392-2663 or robert.sturns@fortworthtexas.gov.

David Cooke
City Manager