

# Mayor and Council Communication

**DATE:** 12/17/19

**M&C FILE NUMBER:** M&C 19-0401

**LOG NAME:** 21COWTOWN COLISEUM

## **SUBJECT**

Authorize the Execution of a Restated and Amended License Agreement and Assignment With Rodeo Plaza, Inc. as Assignor and Fort Worth Heritage Development Company as Assignee, Relative to the Use, Operation and Management of the Cowtown Coliseum Located at 121-133 East Exchange Avenue (COUNCIL DISTRICT 2)

## **RECOMMENDATION:**

Authorize the negotiation and execution of a Restated and Amended License Agreement and Assignment with Rodeo Plaza, Inc., as assignor, and Fort Worth Heritage Development Co., as assignee, relative to the use, operation, and management of the Cowtown Coliseum located 121-133 East Exchange Avenue, Fort Worth, Texas.

## **DISCUSSION:**

The purpose of this M&C is to authorize the restatement and amendment of the current License Agreement with Rodeo Plaza, Inc. and an assignment of the License Agreement to Fort Worth Heritage Development Co., relative to the use, operation, maintenance and management of the Cowtown Coliseum. RPI has operated and managed the Cowtown Coliseum since 2002, holding social, cultural, sporting, rodeo and livestock events in keeping with the western theme of the Fort Worth Stockyards area. In accordance with the terms of the License Agreement, the City has provided funding in the amount of \$185,000.00 annually to defray utility expenses associated with the operation of the Coliseum.

On February 12, 2002, City Council via M&C C-18960, authorized the City Manager to execute a five-year License Agreement (City Secretary Contract (CSC) No. 27542) with Rodeo Plaza, Inc., relative to use, management and operation of the Cowtown Coliseum. adjoining "run-off" area, the adjacent outside arena, bleachers and the central power plant located at 122-133 East Exchange Ave.

On February 6, 2007, City Council via M&C C-21956, authorized the City Manager to execute the extension to CSC No. 27542 with Rodeo Plaza, Inc. for an additional one (1) year term commencing on October 6, 2006 and expiring on September 30, 2007 via CSC No. 35048.

On October 6, 2007, City Council via M&C C-22455, authorized the City Manager to execute the second extension to CSC No. 27542 with Rodeo Plaza, Inc. to amend the term and the amount paid under the Agreement for an additional ten (10) years commencing on October 7, 2007 and ending on September 30, 2017 with two five (5) year renewal options.

On November 19, 2009, RPI and the City amended the license of premises to reflect the removal of 16,698 square feet of the City property that was conveyed to Stockyards 2000, L.P., on October 20, 2009.

On December 14, 2010, the City Council via M&C C-24646, authorized the City Manager to amend the terms of the License Agreement to include the Rodeo Plaza Property, a City owned 1.48 acre tract of land described in Exhibit A-1 of CSC 36118-A2.

On August 4, 2015, City Council via M&C C-27405, authorized an amendment to the License Agreement to manage, maintain, and program City owned property formerly used by the Mounted Patrol located at 2500 N. Houston Street (Additional Property) for storage and stabling of livestock in six month increments up to September 2017. On August 11, 2015, via CSC No. 27542-A5, the Additional Property was added to CSC No. 27542 for the term of six months, with automatic six month renewal periods to expire on September 30, 2017.

On December 6, 2016, City Council via M&C L-15972, authorized the City Manager to amend the terms of the License Agreement to reduce the Additional Property area added via CSC No. 27542-A5, and extend the term for an additional ten (10) years to expire on September 30, 2027.

Rodeo Plaza, Inc., (RPI) and Fort Worth Heritage Development Co. (Heritage), a Majestic/Hickman partnership, have agreed to the sale of RPI assets and the assignment of the current License Agreement to Heritage with a few changes. Heritage has an ongoing interest in making investments in Cowtown Coliseum to ensure that the future of the Coliseum includes a broad variety of on-brand western entertainment and other programming designed to drive tourism and incremental room nights to the Stockyards.

Proposed amendments to the License Agreement (Agreement) associated with its assignment to Heritage are as follows :

- The primary term of the Agreement be modified to fifteen (15) years with one (1), five (5) year option to renew;
- The City will no longer be required to provide the annual subsidy;
- Heritage will pay to the City, in arrears, an annual payment equal to 20% of the net profits generated from the operation of the Coliseum.
- Heritage will make capital improvements to the Coliseum, upon approval by the City, and the City will participate on a 50/50 partnership basis by utilizing net profits as the City contribution. Heritage will provide the financing for the improvement.
- Heritage will submit an annual business, program and marketing plan for approval by the City.

This property is located in Council District 2.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendation the Public Events Department has the responsibility for the collection and deposit of funds due to the City under this Agreement.

**Submitted for City Manager's Office by:** Jesus Chapa 5804

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