

Minutes from 2006-08-29 for Springdale, AR

This was a special session

Attendance

Dotson - Present

Eden - Present

Evans - Present

Ford - Present

Jaycox - Present

Overton - Present

Stout - Present

Watson - Present

Comments

No comments

Action Item Passed

Special meeting is to discuss the execution of a lease agreement between the City of Springdale and Wichita Baseball, Inc.

Final Votes:

Mayor Van Hoose explained the reason for the called meeting is to discuss the execution of a lease agreement between the City of Springdale and Wichita Baseball, Inc.

On July 11, 2006, the voters of Springdale authorized the issuance of bonds for the construction of a professional baseball stadium to be used by a Double A Minor League baseball team and street improvements in the area. The stadium will be located on a 40 acre site at the southwest corner of the intersection of S. 56th Street and W. Watkins Avenue.

Mayor Van Hoose, City Attorney Jeff Harper and Wyman Morgan went to Buffalo, New York to negotiate a lease with Wichita Baseball, Inc. who own the Wichita Wranglers, a Double-A Texas League affiliate of the Kansas City Royals.

Mayor Van Hoose announced he and Mr. Harper talked with the County Assessor Lee Ann Kizzar regarding ad valorem tax exemption for the proposed baseball stadium. Ms. Kizzar stated in her opinion if the stadium and its associated facilities are used according to the proposed lease, and if the City is diligent in its enforcement of said lease, the stadium and its associated facilities should be granted an exemption from ad valorem taxation.

Perry Webb, Chamber of Commerce President, presented information regarding the history of Wichita Baseball.

City Council members went through the lease page by page and recommended changes be made to certain paragraphs.

The initial term of the lease is for a period of 20 years. The tenant agrees to pay \$325,000.00 per year payable on or before July 1 of each year. The stadium is to be completed by March 1, 2008.

Martin DiNitto, Architect with HOK Sport, Inc., explained the architectural and engineering services that will be provided for the design of the ball field.

Each council member went through the issues they had concerns with.

Maintenance and repairs to the stadium, naming rights, utilities, taxes and complimentary tickets were discussed.

After considerable discussion, council members took action on the following items.

Alderman Watson made the motion to add clarity to section 10 – Clean-up of Stadium - that the tenant will take care of the landscaping and Section 11 – Repairs and Maintenance – we will set aside all of the funds we collect and over this 20 year period the amount we pay out, including insurance premiums, is not going to exceed the amount of money we receive and the owner will work with the tenant to help develop this capital maintenance plan consistent with those expected funds. Alderman Jaycox made the second.

There was a voice vote of all ayes and no nays.

Alderman Watson made the motion that if this facility ever loses its tax exempt status, the city will be responsible for no more than 25%. Alderman Dotson made the second.

There was a voice vote of all ayes and no nays.

Alderman Dotson made the motion that the cities get naming rights and funds for the stadium. Alderman Overton made the second.

There was a voice vote of all ayes and no nays.

Alderman Watson made the motion that any complimentary baseball tickets awarded by the team in exchange for advertising should be counted as if they were sold. Alderman Jaycox made the second.

There was a voice vote of all ayes and no nays.

Alderman Ford made the motion that 10 complimentary tickets per game be provided to the city. Alderman Stout made the second.

There was a voice vote of all ayes and no nays.

Alderman Overton made the motion during landlord events the gross revenue from all concession and sales will go to the city less 15% operating cost to the tenant. Alderman Stout made the second.

There was a voice vote of all ayes and no nays.

Alderman Overton made the motion that during non-baseball events promoted by the tenant, the city will receive 10% of the gross total sales. Alderman Dotson made the second.

There was a voice vote of all ayes and no nays.

Alderman Overton made the motion that any amount over \$200,000 for utilities be a 75/25 percent split. Alderman Stout made the second.

There was a voice vote of all ayes and no nays.

All utilities were defined as including water, sewer, gas and electricity.

Alderman Jaycox made the motion to add wording that unless notified by landlord two years prior to the end of the original lease term, tenant shall have the right to renew. Alderman Stout made the second.

There was a voice vote of all ayes and no nays.

Alderman Overton wanted the postponement of occupancy deadline to be September 1, 2007.

Council members voted unanimously to do this.

Paul Young, Morgan Keegan and Associates, underwriter for the bonds, explained what the schedule needs to be for the bond sale. The lease contract will have to be agreed to before the Resolution authorizing the bond sale is adopted by Council.

A special City Council meeting will be held Tuesday, September 5, 2006, at 6:00 p.m.

The business completed, the meeting adjourned at 10:10 p.m.