



# City of San Antonio

## Agenda Memorandum

**File Number:** 15-5862

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**Agenda Item Number:** 23.

**Agenda Date:** 11/12/2015

**In Control:** City Council A Session

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**DEPARTMENT:** Convention & Sports Facilities

**DEPARTMENT HEAD:** Michael J. Sawaya

**COUNCIL DISTRICTS IMPACTED:** Council District 10

### **SUBJECT:**

The negotiation of terms and conditions to purchase Toyota Field from Sports, Outdoor and Recreation (SOAR) Park, a Texas non-profit corporation, and, upon acquisition, leasing Toyota Field for a period of 20 years to Spurs Sports & Entertainment (“SS&E”).

### **SUMMARY:**

This Resolution authorizes City staff, in coordination with Bexar County (“County”) and SS&E, to negotiate the terms and conditions of a purchase agreement for the acquisition of Toyota Field and, upon purchase, to lease Toyota Field to SS&E for a term of 20 years.

### **BACKGROUND INFORMATION:**

Recent discussions regarding San Antonio’s pursuit of a Major League Soccer (MLS) franchise have resulted in a concerted effort by the City, County and SS&E to purchase Toyota Field from Sports, Outdoor and Recreation (SOAR) Park through its representative Gordon Hartman. Under the proposed terms, the City and County would each provide \$9 million to purchase Toyota Field for \$18 million, and SS&E would provide an additional \$3 million to SOAR, for a total transaction of \$21 million. Upon acquiring Toyota Field, ownership would vest in the City and County. A separate lease agreement would be concurrently negotiated to provide SS&E with a 20- year lease of Toyota Field and STAR Soccer Complex where SS&E will operate a minor league soccer team while pursuing an MLS franchise.

### **ISSUE:**

The City desires to enter into negotiations for both the purchase and lease of Toyota Field provided that certain parameters are met by all parties and due diligence, to include inspection, is completed on the property. These parameters of negotiation include:

- The City and County each providing \$9 million towards the \$18 million purchase of Toyota Field;
- The City and County creating a Public Facilities Corporation (PFC) to acquire and maintain ownership of Toyota Field;
- SS&E will provide \$1 million contribution for facility improvements;
- City and County to provide \$1 million match (\$500k each) for facility improvements
- SS&E providing an additional \$3 million to SOAR;
- SS&E agreeing to enter into a 20 year lease for Toyota Field where it will operate a minor league soccer team;
- SS&E using best efforts to establish a MLS franchise in San Antonio throughout the lease term;
- SS&E agreeing to repay up to \$5 million to City and County should it be unsuccessful in establishing a MLS franchise in San Antonio prior to year 6 of the lease term; and
- City and County maintaining ownership of Toyota Field.

**ALTERNATIVES:**

City Council could direct City staff to redefine the parameters of negotiations or decline to further negotiate. Any agreement on the terms and conditions of a purchase agreement and lease agreement would be subject to City Council approval.

**FISCAL IMPACT:**

No funds shall be appropriated at this time. No City of San Antonio General Fund dollars will be used for the acquisition. Funds necessary for the purchase of Toyota Field shall be from the Convention & Sports Facilities Capital Redemption Fund.

**RECOMMENDATION:**

Staff recommends approval of this Resolution.