



City of San Antonio

Legislation Details (With Text)

File #: 21-2504

Type: Misc - Settlement Agreements

In control: City Council A Session

On agenda: 4/1/2021

Title: Ordinance approving the settlement of a claim arising out of the matter styled In re: Legendary Field Exhibitions, LLC, et al., Case No. 19-50900-CAG, in the United States Bankruptcy Court for the Western District of Texas, San Antonio Division. [Andy Segovia, City Attorney]

Sponsors:

Indexes:

Code sections:

Attachments: 1. Draft Ordinance, 2. Ordinance 2021-04-01-0207

Date	Ver.	Action By	Action	Result
4/1/2021	1	City Council A Session		

DEPARTMENT: City Attorney's Office

DEPARTMENT HEAD: Andy Segovia, City Attorney

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Settlement of a claim arising out of the matter styled In re: Legendary Field Exhibitions, LLC

SUMMARY:

This item approves the settlement of a claim arising out of the bankruptcy of the Commanders football team of the Alliance of American Football (AAF). The parent company of the Commanders, Legendary Field Exhibitions, LLC filed for bankruptcy in April 2019 in the United States Bankruptcy Court for the Western District of Texas, San Antonio Division.

The bankruptcy trustee is claiming that a payment of approximately \$83,000 made to the Alamo Dome is a "preferential payment" that must be returned to the bankruptcy estate. A "preferential payment" is a payment made to a creditor within 90 days of the bankruptcy payment that unfairly puts that creditor in a better position than other similarly situated creditors.

The trustee is offering to settle the claim for \$74,862.00.

ISSUE:

Settlements over \$50,000 require City Council approval.

ALTERNATIVES:

The offer to settle can be declined which will likely lead to bankruptcy litigation. Bankruptcy courts usually favor collection of preferential payments to maximize funds available to all creditors.

FISCAL IMPACT:

If approved by City Council, this will result in a payment to the trustee in the amount of \$74,862.00.

RECOMMENDATION:

Staff recommends approval of this item.