



AGENDA MEMORANDUM

First Reading Item for the City Council Meeting of July 11, 2017
Second Reading Item for the City Council Meeting of July 18, 2017

DATE: June 27, 2017

TO: Margie C. Rose, City Manager

FROM: E. Jay Ellington, Director, Parks and Recreation Department
JayEll@cctexas.com
361-826-3460

SQH Sports & Entertainment Agreement for Extension of Performance Milestones
--

CAPTION:

Ordinance authorizing the City Manager or designee to execute an Agreement with SQH Sports & Entertainment, Inc. to extend Performance Milestones in the Lease Agreement for the Regional Youth Sports Complex.

PURPOSE:

To execute an Agreement to extend the dates for the performance milestones in the Lease Agreement to allow sufficient time to complete all requirements on the Agreement, including utility development.

BACKGROUND AND FINDINGS:

The Parks and Recreation Department has been working with SQH Sports and Entertainment, Inc. since January 2015 for the construction and operation of a regional youth sports complex on approximately 68 acres of city property located near the JC Elliot Landfill on Highway 286. The agreement was executed October 18, 2016 to be effective December 18, 2016. The complex will focus on hosting national and regional youth sports tournaments providing support to the local tourism and economic development industries.

The original agreement includes Performance Milestones and timelines for SQH to meet during the course of development of the property.

8.1.2.A. The Coastal Bend Community Foundation Tracts have been conveyed to SQH by third party owner within six (6) months from the Effective Date.

8.1.2.B. Within six (6) months from the Effective Date, Tenant demonstrates to the satisfaction of the Director of Parks and Recreation that all utilities for the Premises have been approved in accordance with the Unified Development Code.

8.1.2.C. Tenant secures funding for construction of Improvements within nine (9) months from the Effective Date.

8.1.2.D. Tenant completes final design of complex within thirteen (13) months from the Effective Date.

8.1.2.E. Tenant begins construction of complex within fourteen (14) months from the Effective Date.

8.1.2.F. Tenant substantially completes construction of complex within twenty-seven (27) months from the Effective Date.

8.1.2.G. Tenant begins operations of major components of complex within twenty-nine (29) months from the Effective Date.

The extension agreement provides for the completion of the following Performance Milestones by the dates shown below, with all dates running from the effective date of the original agreement.

8.1.2.A. The Coastal Bend Community Foundation Tracts have been conveyed to SQH or an affiliate of SQH by third party owner within eighteen (18) months from the Effective Date.

8.1.2.B. Within eighteen (18) months from the Effective Date, Tenant demonstrates to the satisfaction of the Director of Parks and Recreation that all utilities for the Premises have been approved in accordance with the Unified Development Code.

8.1.2.C. Tenant secures funding for construction of Improvements within twenty-one (21) months from the Effective Date.

8.1.2.D. Tenant completes final design of complex within twenty-five (25) months from the Effective Date.

8.1.2.E. Tenant begins construction of complex within twenty-six (26) months from the Effective Date.

8.1.2.F. Tenant substantially completes construction of complex within thirty-nine (39) months from the Effective Date.

8.1.2.G. Tenant begins operations of major components of complex within Forty-one (41) months from the Effective Date.

The London Area Wastewater Master Plan was adopted April 11, 2017. Discussions with City staff are ongoing to come to a solution for wastewater at the new sports complex.

ALTERNATIVES:

1. Approve or deny
2. SQH to consider different wastewater options

OTHER CONSIDERATIONS:

1. Stand alone
2. Multi-development
3. No Sports Complex

CONFORMITY TO CITY POLICY:

Agreements must be approved by City Council.

EMERGENCY / NON-EMERGENCY:

Non-Emergency

DEPARTMENTAL CLEARANCES:

Parks and Recreation, Legal, Finance

FINANCIAL IMPACT:

Cost and reimbursement from City are part of the negotiations

☐ Operating

☐ Revenue

☐ Capital

☒ Not applicable

Fiscal Year: 2016-2017	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget				
Encumbered/ Expended Amount				
This item				
BALANCE				

Fund(s): N/A

Comments:

None

RECOMMENDATION:

Extend agreement for twelve months to allow City and SQH to come to a conclusion for moving the sports complex development forward.

LIST OF SUPPORTING DOCUMENTS:

Agreement

Ordinance