



## **AGENDA MEMORANDUM**

First Reading Item for the City Council Meeting of September 20, 2016  
Second Reading Item for the City Council Meeting of October 18, 2016

---

**DATE:** September 8, 2016

**TO:** Margie C. Rose, City Manager

**FROM:** Stacie Talbert Anaya, Interim Director, Parks and Recreation Department  
[StacieT@cctexas.com](mailto:StacieT@cctexas.com)  
361-826-3460

<p>Regional Youth Sport Complex Agreement</p>
---

**CAPTION:**

Ordinance authorizing the City Manager to execute forty-year lease agreement with SQH Sports & Entertainment, Inc. for lease of approximately 68 acres located near intersection of State Highway 286 and FM 43 for construction and operation of a regional youth sports complex, including right of first refusal on adjacent 30 acre tract; and providing for publication.

**PURPOSE:**

Approve a lease agreement with SQH Sports and Entertainment, Inc. for the construction and operation of regional youth sports complex.

**BACKGROUND AND FINDINGS:**

The Parks & Recreation Department has been working with SQH Sports and Entertainment, Inc. since January 2015 to finalize a lease agreement 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. This complex will focus on hosting national and regional youth sports tournaments providing support to the local tourism and economic development industries.

The proposed agreement features the following points:

- Initial term – 40 years with four 5-year option periods
- SQH is fully responsible for the design, construction and operation of complex
- Rent - \$1 per year; City can utilize the complex for city coordinated events one weekday and one weekend each year.
- Acreage – 67.69 acres with an option for additional 30.22 for the development of wetlands, retention pond development
- Complex includes –
  - 6 outdoor rectangular fields
  - 8 diamond fields
  - Field house with 6 basketball courts or 12 volleyball courts
  - 10 sand volleyball courts
  - Playground
  - Outdoor concession facility
  - 5,000 square foot restaurant.

The agreement includes performance milestones and timelines for SQH to meet during the course of development of the property. These milestones must be met within the stated

timeframe after the effective date of the agreement:

- 6 months – adjacent property must be conveyed to SQH and a utilities plan for the entire development must be coordinated
- 9 months – funding for construction must be secured
- 13 months – final design and construction documents complete
- 14 months – begin construction
- 27 months – construction of complex substantially complete
- 29 months – begin operations of major components of complex.

This type of agreement requires 28 days between first and second readings. In addition, the effective date of the agreement is 61 days after the second reading.

The Parks and Recreation Department will be responsible for overseeing the contract and working with SQH throughout the term of the lease:

**ALTERNATIVES:**

Do not approve the lease and explore alternative uses for the property

**OTHER CONSIDERATIONS:**

None

**CONFORMITY TO CITY POLICY:**

The City Council must approve all leases of city property. Lease requires a 28-day delay between readings.

**EMERGENCY / NON-EMERGENCY:**

Non-emergency

**DEPARTMENTAL CLEARANCES:**

Legal

**FINANCIAL IMPACT:**

☐ Operating      Revenue      ☐ Capital      X Not applicable

<b>Fiscal Year: 2015-2016</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget				
Encumbered/ Expended Amount				
This item				
BALANCE				

Fund(s): N/A

**Comments:**

**RECOMMENDATION:**

Approve the lease agreement

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance  
Presentation  
Lease Agreement