

Brief and Staff Report

Re: Proposed Mansfield Starcenter

Date: January 8, 2016

From: City Manager: Clayton W. Chandler

To: Mayor and Members of City Council

The staff has spent much time since the last meeting of the City Council deliberating and negotiating various viewpoints and contract language with representatives of Dallas Stars Enterprises (DSE).

City Council conducted a first public hearing on the proposed project at the last meeting of the City Council on December 14, 2015. A second public hearing is scheduled for the council meeting on Monday January 11, 2016.

Staff has been asked to present an ordinance for the meeting for the Council to take action regarding the project. Accordingly there are two documents on this agenda for council action. One is the Ordinance to authorize the Lease and Operating Agreement (will require three readings) and the other is the Resolution authorizing and directing the staff to move forward with the design of the facility. A third document, the Developer Agreement, requires review and action of both the MPFDC and the City Council in the form of a resolution at a future council meeting.

The Resolution to authorize the design is important given that there is a substantial cost for the design work. The City proposes to use Magee Architects (Alan Magee) to design and oversee architectural control of the project. The City is working with DSE to ensure that should Council authorize the design that there is proper knowledge and experience in the design of ice rinks and also that there is proper control and insurance by the architects and contractors that the City is protected for the construction of the facility. While the contract wording has not been finalized the Resolution still needs to be authorized for the staff to move forward with the expenditure of funds given that the design cost itself will exceed one million dollars (includes both Magee's costs and DSE proposed consulting costs).

Every effort has been made to get the agreements completed for public review and for Council to vote on as quickly as possible realizing that DSE has emphasized the importance of opening the facility by July 1, 2017 to capture the hockey season scheduling which is instrumental to the financing. Additionally, the City is bound by law to have funds in hand to begin the project. This means that the City is going to have to complete any required bond issue in April or May of 2016 to allow sufficient time for construction following the design. Essentially, we are advancing funds from the General Fund Reserve to get the project started until the bond financing is complete.

This said, please realize that in order to meet the timelines the Lease and Operating Agreement is still under review by management and legal as of Council agenda time. It does represent however, the result of very involved discussions at staff and legal level, knowing some of the concerns of City Council. However, in order to get it on this agenda, it is not the final document. Council will consider comments in the public hearing and is really getting a first read of the Lease and Operating Agreement with this agenda packet. The staff met with attorneys the morning of December 22nd and by telephone

conference that afternoon with DSE representatives and reviewed final proposed language in an effort to have documents completed for this meeting. Final changes based on those discussions were made and forwarded to DSE on December 23rd. Staff did not receive the documents that are forwarded to City Council with this agenda until this morning and that represent the changes made by DSE. There are items that still need to be addressed. After reviewing the Lease and Operating Agreement with the City attorneys this morning, the City Attorney agreed to prepare a bullet point list of items which represent concerns that will be forwarded to Council when received.

The Developer Agreement did not come to the City until this afternoon and there has not been time for adequate review and it is not listed for action on this agenda but is included in draft form for Council's awareness of what is being expected by the developer and realizing that it will be presented to the MPFDC for authorization at their next meeting on January 21st.

Our goal for Monday night is to place the item on the agenda as directed by Council. Council can still negotiate this agreement until the final vote. Council will have benefit of the public hearing comments and other council member positions. Staff will take these considerations and amend the language in the documents in time for the second reading of the ordinance on January 25, 2016.