

LB
11/14/02
Item #38

AN ORDINANCE **96743**

AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE AN AGREEMENT TO PURCHASE FROM THE SAN ANTONIO SPURS, L.L.C. CERTAIN ASSETS, IMPROVEMENTS AND EQUIPMENT LOCATED AND INSTALLED AT THE ALAMODOME, FOR A SUM TOTAL OF \$800,000; AND PROVIDING FOR PAYMENT.

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WHEREAS, pursuant to the terms of the Multi-Purpose Dome Facility Sublease Agreement (“Sublease”) between the City of San Antonio and the San Antonio Spurs, L.L.C. (“Spurs”) approved by the San Antonio City Council on September 15, 1990, the Spurs exercised their option to terminate the Sublease effective November 1, 2002; and

WHEREAS, in accordance with the Sublease, the San Antonio Spurs made certain improvements to the Alamodome in the form of finish-out and equipping of various areas such as office space, luxury suites, and those hospitality areas known as the “Sports Club” and “Top of the Dome”; and

WHEREAS, the Spurs installed certain fixtures and equipment for the purpose of electronic display and also advertising signage, including backlit advertising panels, electronic message panels, a Sony JumboTron video system, video walls, the outdoor electronic marquee, and the associated control room equipment and more recently the Spurs installed a system of shutter-controlled lights in the Alamodome Arena; and

WHEREAS, with the termination of the Sublease, all rights previously owned and controlled by the Spurs, which are set out in a separate Scoreboard and Concessions License Agreement, revert to the City, including the rights to market and sell permanent advertising in and around the Alamodome facility and on the outdoor electronic marquee, the operation of the electronic scoreboards, video and messaging systems for Alamodome events, and the operation of all food and beverage services, including the “Sports Club” and “Top of the Dome” restaurant; and

WHEREAS, the termination of the Sublease provides the City the opportunity to purchase the equipment and systems, including the Sony Jumbotron, video walls, electronic message panels, outdoor marquee, Musco shutter-controlled lights and concourse advertising panels, which are integral components for the ongoing successful operation of the Alamodome and the Spurs have agreed to sell these assets to the City for the future continued use by the Alamodome for \$800,000; and

WHEREAS, this Agreement shall resolve all outstanding matters relating to the Hemisfair Arena Lease Agreement, the Alamodome Master Executive Suite Agreement, and all facility access fee issues under the Sublease; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The terms and conditions of a Purchase Agreement with the San Antonio Spurs, L.L.C. for the purchase of certain assets, improvements and equipment located and installed at the Alamodome, for a sum total of \$800,000 is hereby authorized and approved.

SECTION 2. The City Manager, or her designee, is hereby authorized, for a sixty (60) day period following the effective date of this Ordinance, to negotiate and execute said Purchase Agreement with the San Antonio Spurs, L.L.C. A copy of said Purchase Agreement, in substantially final form, is attached hereto and incorporated herein as Exhibit I.

SECTION 3. The amount of \$563,000.00 is appropriated in Fund 43-202010, "1992 Certificates of Obligation Alamodome Concessions", in Index Code 968271, entitled "Transfer to 43-405010." The amount of \$563,000.00 is authorized to be transferred from 43-202010 to 43-405010 in connection with the Spurs Fixtures and Equipment Purchase Agreement.

SECTION 4. The budget in Fund 43-405000, "1994 Certificates of Obligation," is revised by increasing Index Code 113894, entitled "Transfer from 43-202010 (43-405010) Spurs Fixtures and Equipment," in the amount of \$563,000.00.

SECTION 5. The budget in Fund 43-405095, "1994 Certificates of Obligation," shall be revised by reducing Index Code 393595, entitled "Unallocated Appropriations: Proceeds," in the amount of \$237,000.00.

SECTION 6. The amount of \$800,000.00 is appropriated in Fund 43-405010, "1994 Certificates of Obligation," in Index Code 735027, entitled "Spurs Fixtures and Equipment," and is authorized to be encumbered and made payable to San Antonio Spurs, LLC.

SECTION 7. The financial allocations in this Ordinance are subject to approval by the

Director of Finance of the City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific index codes and fund numbers as necessary to carry out the purposes of this Ordinance.

SECTION 8. This Ordinance shall be effective on and after the tenth day after passage hereof.

PASSED AND APPROVED this 14th day of November, 2002

Edward D. Garza
for
MAYOR
EDWARD D. GARZA PRO TEM

ATTEST: *Jolanda L. Ledesma*
City Clerk

APPROVED AS TO FORM: *Mr. Zestueche*
for City Attorney