

Introduced by _____ Council Bill No. R 144-06

A RESOLUTION

authorizing a Memorandum of Understanding with Columbia Professional Baseball, LLC relating to development and operation of a Sports Complex at the American Legion Herbert Williams Post No. 202 Park.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:

SECTION 1. The City Manager is hereby authorized to execute a Memorandum of Understanding with Columbia Professional Baseball, LLC relating to development and operation of a Sports Complex at the American Legion Herbert Williams Post No. 202 Park. The form and content of the agreement shall be substantially as set forth in "Exhibit A" attached hereto and made a part hereof as fully as if set forth herein verbatim.

ADOPTED this _____ day of _____, 2006.

ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor

MEMORANDUM OF UNDERSTANDING

This **Memorandum of Understanding** (this “Memorandum of Understanding”) is made and entered into as of the ____ day of June, 2006, by and between the **City of Columbia, Missouri** (the “City”), an incorporated political subdivision of the State of Missouri, and **Columbia Professional Baseball, LLC**, a Missouri limited liability company (“Columbia Baseball”).

RECITALS

- A. Columbia Baseball is the owner and operator of the Mid-Missouri Mavericks, a minor league professional baseball team.
- B. The City is the present owner of approximately 16 acres of real estate located adjacent to the headquarters of the American Legion Herbert Williams Post 202 (the “Legion”) at 600 Legion Lane, Columbia, Missouri (the “Site”).
- C. Columbia Baseball proposes to form a new public-private partnership between the City, the Legion and Columbia Baseball in order to create a community sports complex (the “Sports Complex”) in the City that serves the needs of the City, the Legion and Columbia Baseball and to be located at the Site.
- D. It is desired and intended that the Sports Complex will be an end-destination venue for families and sports enthusiasts in the greater Columbia, Missouri, community.
- E. It is further desired and intended that the Sports Complex serve the various needs of minor league professional baseball suitable for Columbia Baseball, American Legion Baseball, collegiate softball and baseball, youth athletics and sports camps and academies, as well as a range of other sports and community activities that serve the greater Columbia, Missouri, community.
- F. It is further desired and intended that the Sports Complex, across its potential phases, may include the development of dining facilities, lodging and meeting facilities, and retail, office and entertainment facilities.

AGREEMENTS

Now, therefore, in consideration of the premises and promises contained herein, the adequacy and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

- 1. *Purpose.* The purpose of this Memorandum of Understanding is to set forth the general requirements and expectations of each of the City and Columbia Baseball in order to induce such parties to enter into good faith negotiations with respect the development and subsequent operation of the Sports Complex (the “Project”) on such terms and conditions as may be acceptable to each of the City, Columbia Baseball and each of their constituents, including the Legion.
- 2. *Legion Headquarters.* It is desired and intended that the Legion be accorded the utmost respect in developing the Sports Complex. To that end, subject to continuing discussions between the City, the Legion and Columbia Baseball, it is desired and intended that the current Legion headquarters shall either:

- a. Be granted sufficient funds to enable the Legion to remodel and improve the existing Legion headquarters and be committed sufficient land to dedicate suitable parking for the Legion's members, or
 - b. Be afforded the opportunity to contribute the land on which the Legion headquarters is currently located to the Site in exchange for the construction of a new headquarters facility at the Site, incorporated as a part of the Stadium, including separate identification of Legion headquarters, a dedicated Legion members' entry and the creation of a royalty sharing arrangement with respect to meeting room rentals and catering facilities at the Stadium.
3. *Sports Complex Design Considerations and Requirements.* It is desired and intended that the Sports Complex shall preserve throughout all aspects of the master design a recreational setting, consistent with the look and feel of the City community. It is desired and intended that the Sports Complex shall include a baseball stadium (the "Stadium") which evokes a historical look and feel and is suitable for the needs of Columbia Baseball and minor league baseball, including chair-back seating for at least 2,500 seats, artificial turf which facilitates the use of the Stadium for at least 750 events dates (250 days with up to 3 events per day) each year and an electronic community events board with a mutually agreed to location. The Stadium will conform to all standards required by United League Baseball as of the date hereof. Such standards will be included as an attachment in the final documentation. It is desired and intended that the architectural style, appearance, design and the layout of the Sports Complex, including the Stadium, shall be subject to the reasonable approval of the City and that the Sports Complex, including the Stadium will be owned by the City and leased to the Diamonds as described more fully below.
4. *Shared Use of the Stadium.* It is desired and intended that the Stadium shall be available for use by each of the City, the Legion and Columbia Baseball as follows:
The City: 400 events per year
The Legion: 50 events per year
Columbia Baseball: 200 events per year
5. *The Columbia Diamonds.* It is desired and intended that Columbia Baseball shall sponsor the formation of the Columbia Diamonds (the "Diamonds"), a not-for-profit organization which shall (a) commit a minimum of \$1.0 million from its founding members and pursue its ongoing mission of fundraising to support sports in the Columbia, Missouri area, (b) be responsible for the strategic direction and costs of design, construction, development and subsequent day to day operations and maintenance of the Sports Complex, and (c) following the design, construction and development of the Sports Complex, shall have representatives of the City, the Legion and Columbia Baseball serve on its board of directors to provide strategic direction for the Sports Complex .
6. *Transaction Structure.* It is desired and intended that the City shall lease the site to the Diamonds pursuant to a long term ground lease (the "Lease") of no less than 35 years, with at least two renewal options of five years each at an annual rental of \$12,000 per year, adjusted annually for changes in the Consumer Price Index, using the most widely accepted price index as published by the reporting federal agency. Subject to the

decision made by the Legion with respect to the Legion headquarters, the real property on which the Legion headquarters is situated may be transferred to the City and made a part of the Site in which case the new Legion headquarters to be constructed as a part of the Stadium would be subleased by the Diamonds to the Legion for the same term and annual rental as set forth in the Lease.

7. *The Development and Operating Agreement.* It is desired and intended that the City and the Diamonds shall enter into an development and operating agreement (the “Development and Operating Agreement”) pursuant to which the Diamonds shall be named the developer for the Site, the precise terms and conditions under which the Sports Complex shall be developed will be described, the future location and improvement or construction of the Legion headquarters will be described, the establishment of a fund for routine and major maintenance, the use and access to the Sports Complex and the Stadium will be determined and the Diamonds will be designated as the operator of the Sports Complex for the term of the Lease.
8. *Responsibilities of the City.* It is desired and intended that the City shall work with MoDOT to provide mutually agreed to road access to the Site for reasonable use of the Sports Complex (funding of such road access is assumed to be the exclusive responsibility of MoDOT); process and timely consider all applications by Columbia Baseball and the Diamonds for zoning approvals with respect to the Sports Center, the Stadium and all other phases of the Project in accordance with the applicable City ordinances and the laws of the State of Missouri; provide for the improvement of all necessary utility services to the Site that are provided to this area by the City as may be reasonably required for the construction and operation of the Sports Complex; continue to budget, allocate and expend an annual sum equal to that currently budgeted by the City with respect the maintenance of the Site in order to defray a portion of the ongoing maintenance of the Sports Complex; and designate its representatives to the Diamonds Board in order to provide strategic input to the ongoing operations of the Sports Complex.
9. *Utilization of Tax-Exempt Bond Financing.* It is desired and intended that all or a portion of the permanent financing for the Project shall incorporate taxable and/or tax-exempt municipal bonds secured exclusively by the revenues from the Project (the “Bonds”). No portion of the Bonds shall be a general obligation of the City or require a pledge of City revenues or credit. The City shall have no liability for the construction or debt service of the Sports Complex, including the Stadium.
10. *Timing.* In order to enable Columbia Baseball to return professional baseball to the City, the City and Columbia Baseball each agree to work diligently to negotiate and prepare such agreements as they shall deem reasonable and appropriate to reflect the ideas and directions set forth in this Memorandum of Understanding with the following timetable setting forth the goals and objectives of the respective parties:

<u>Milestone</u>	<u>Proposed Timing</u>
City Council Sports Complex Workshop and Discussion with Legion leadership	April 2006 – COMPLETED
Approval of Memorandum of Understanding by City Council and Commencement of Negotiation of Definitive Agreements	June 2006
Design, funding commitments, permitting, planning, zoning and regulatory approvals	Summer/Fall 2006
Commence Construction	Immediately following receipt of all necessary governmental approvals

11. *Non-Binding Memorandum of Understanding.* This Memorandum of Understanding evidences the intention and desire of each of the City and Columbia Baseball to commit their own time and financial resources to negotiate in good faith towards the development of the Sports Complex to be located on the Site as generally described herein. Consequently, this Memorandum of Understanding is not a binding agreement upon either the City or Columbia Baseball or any third party. The legal agreements reflecting the Project shall be set for in definitive agreements to be subsequently negotiated, authorized and entered into by each of the City and Columbia Baseball. Either of the City or Columbia Baseball shall have the ability to terminate such negotiations at any time. Each party shall bear their own expenses in connection with the negotiation of such definitive agreements unless otherwise agreed to in writing by the parties hereto.
12. *Governing Law; Other Applicable Provisions.* This Memorandum of Understanding shall be governed by and construed in accordance with the domestic laws of the State of Missouri without giving effect to any choice or conflict of law provision or rule (whether of the State of Missouri or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Missouri.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals as of the day and date above first written.

CITY:

City of Columbia

By: _____
H. William Watkins
City Manager

COLUMBIA BASEBALL:

Columbia Professional Baseball, LLC

By: _____
Bradley Wendt
President

Source

Agenda Item No. _____

Law Department

TB

TO: City Council
FROM: City Manager and Staff
DATE: June 15, 2006
RE: Mavericks Stadium Proposal



SUMMARY:

A public hearing has been scheduled for June 19, 2006 to gather public input on the proposal to build a baseball stadium complex at American Legion Park for the Mid-Missouri Mavericks. A revised memorandum of understanding between the City and Columbia Professional Baseball, LLC for the stadium project has been prepared in response to comments made by Council concerning the first draft of the memorandum of understanding.

DISCUSSION:

Brad Wendt submitted a revised memorandum of understanding based on comments that Council made at the May 15, 2006 meeting. The changes include the following:

- In response to the concern that the stadium be designed and built to accommodate other league specifications, a provision was added to paragraph 3 stating that the stadium will conform to all standards currently required by United League Baseball. United League Baseball is a six-team league co-founded by Brad Wendt that is in its first season.
- The term of the lease in paragraph 6 has been reduced from 40-years with two 5-year renewal options to 35-years with the same renewal options.
- A provision was added to paragraph 6 that the \$12,000.00 per year rent would be adjusted annually for inflation based on the Consumer Price Index.
- A provision was added to paragraph 7 requiring the establishment of a fund for routine and major maintenance.
- Paragraph 8 was amended to state that the road access improvements would be the responsibility of MoDOT.

Fiscal Impact

YES

NO X

Other Info.

Staff has questioned whether tax exempt financing would be available for this project. In response, paragraph 9 was amended to state that financing for the project would incorporate "taxable and/or tax exempt municipal bonds." Staff feels strongly that if the Council decides to proceed with the memorandum of understanding, it is important to delete the word "municipal." It should be made clear that the City will not participate in financing this project.

SUGGESTED COUNCIL ACTION:

Following the public hearing, if Council wishes to proceed with the baseball stadium project, Council should make any desired changes to the memorandum of understanding and then adopt the resolution authorizing the City Manager to execute the amended memorandum of understanding.