



City of San Antonio

Agenda Memorandum

File Number:
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Agenda Item Number: 18

Agenda Date: November 10, 2022

In Control: City Council A Session

DEPARTMENT: Convention and Sports Facilities

DEPARTMENT HEAD: Patricia Muzquiz Cantor

COUNCIL DISTRICTS IMPACTED: District 6

SUBJECT:

Wolff Stadium Lease Assignment

SUMMARY:

This Ordinance authorizes the assignment of the First Amended and Restated Baseball Stadium Facility Lease Agreement with the San Antonio Missions Baseball Club, Inc. to SA Missions Baseball Club, LLC., maintaining the same terms and conditions.

BACKGROUND INFORMATION:

On April 7, 1994, City Council authorized a ten-year lease with two 5-year renewal options with San Antonio Missions Baseball Club owned by the Elmore Group for the use of the baseball stadium, which opened that year. Ordinance Number 2006-11-16-1300 authorized the First Amended and Restated Baseball Stadium Facility Lease Agreement for an initial term of ten (10) years with three (3) additional five (5) year extension terms. The first and second extensions to the lease agreement were approved by City Council through Ordinance 2017-03-02-0126 and Ordinance 2021-09-02-0634, respectively. A third and final extension, if authorized by City Council, would run through September 30, 2031.

The San Antonio Missions Baseball Club, Inc. hosts approximately 80 games at Wolff Stadium

averaging approximately 2,500 in fan attendance per game. The City receives \$1.00 in Facility Access Fees (FAF) for each ticket sold. During FY 2022, the FAF generated approximately \$200,000.00. In addition, this lease currently generates \$100,000.00 in annual rental fees plus an amount equal to the CPI, compounded annually, for every subsequent year.

In October 2021, the San Antonio Missions informed the City that the Major League Baseball (MLB) had conducted an audit of the facility and identified items to be addressed by 2025 to be in compliance with MLB standards. One of the items identified in the audit as critical requiring completion before the start of the 2022 season was the stadium field padding. On February 10, 2022, Council authorized the replacement of the stadium field padding at a cost of \$147,866.00. The Missions paid 30% of the costs or \$44,360.00 and City was responsible for 70% or \$103,506.00 of the costs. During the same time, the San Antonio Missions made several locker room and playing field improvements that were identified in the audit for a cost of \$65,000.00. Although not a finding of the audit, the San Antonio Missions also replaced the video scoreboard and ribbon boards at the stadium for a total cost of \$1.3M.

FY 2023 Six Year Capital Budget includes \$6.25M for the design and construction of the Wolff Stadium clubhouse remodel to meet MLB standards including a new building to support shared operations.

ISSUE:

The Elmore Group recently contacted the City requesting consent of the lease assignment to SA Missions Baseball Club, LLC, which is owned by Designated Bidders, LLC. Designated Bidders, LLC. is a diverse group of local business and civic leaders which includes but is not limited to Bruce Hill, Randy Smith, Graham Weston, and Bob Cohen. Mr. Bruce Hill, Principal Manager for Designated Bidders, LLC. has also indicated that upon the lease assignment, Wolff Stadium and the San Antonio Missions will be operated by Ryan Sanders Baseball, an organization that has long been recognized as an industry leader in minor league baseball. At the Major League level in Houston, Reid Ryan of Ryan Sanders Baseball led the development of a game-day experience for Minute Maid Park that remains among the most highly regarded in major professional sports.

Section 22.01 of the lease requires City Council approval for this assignment. In addition, the sale of the team requires approval by MLB, which was already obtained. The sale of the team is expected to take place on November 15, 2022, upon City approval of the lease assignment.

The lease assignment does not change any terms or conditions of the lease. Designated Bidders, LLC. has committed to complying with all the terms of the lease including the 70/30 split for any future stadium improvements.

ALTERNATIVES:

Alternatives include not authorizing the lease assignment, which may impact the sale of the team to local investors and the introduction of Ryan Sanders Baseball as operators.

FISCAL IMPACT:

This lease assignment will continue to generate an estimated annual revenue of \$100,000.00 in rent and approximately \$200,000.00 in Facility Access Fees, split between the Wolff Stadium Building Fund and the Wolff Stadium Renewal & Improvement Fund.

RECOMMENDATION:

Staff recommends approval of the assignment of the First Amended and Restated Baseball Stadium Facility Lease Agreement with the San Antonio Missions Baseball Club, Inc. to SA Missions Baseball Club, LLC.