



MEMORANDUM

Council Agenda
Item No. XI. BD
5/21/2024

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Development Agreement with the Oklahoma City Public Property Authority and PBC Sports & Entertainment, LLC, for the construction of the New Arena, generally located between Sheridan Avenue and Reno Avenue and between Robinson Avenue and E. K. Gaylord Boulevard. Ward 7.

Location:

Generally located between Sheridan Avenue and Reno Avenue and between Robinson Avenue and E. K. Gaylord Boulevard

Purpose:

This agreement states how the City and PBC Sports & Entertainment, LLC (the Team), will work together on the design and construction of the new arena on the former Cox Convention Center site. The agreement provides for a consultant, or owner's representative, to work with the City and the Team in the management, design and construction of the new arena. The agreement provides for a collaborative process to ensure the needs and expectations of the City and the Team will be met. The agreement also establishes a review and approval processes, financial obligations, scheduling expectations, and other aspects of the project.

Background:

Since 2008, the OKC Thunder has called Oklahoma City home. In the 16-year history and partnership between the City and the Team, both the City and the Team have enjoyed mutual success, stability, and growth. The relationship between the City and the Team has promoted economic growth, tourism, and expansion of business in the City. The development of a new arena in downtown Oklahoma City is anticipated to build on this momentum to ensure the City is not only regionally competitive and a premier destination for sports and entertainment, but to further business development and to improve quality of life.

The Team has utilized Paycom Center, which in June 2024 will be 22 years old, since their arrival. On December 12, 2023, the City presented to its citizens a temporary 72-month 1% (\$0.01) sales tax to construct a new arena, which was passed by an overwhelming majority of voters. This new temporary tax will not take effect until after the expiration of the MAPS 4 sales tax and will be used to fund the costs associated with the design and construction of the new arena for both the City's and Team's use.

The City and the Team agree to proceed in good faith to negotiate other definitive agreements related to the use of the new arena and food and beverage services. The culmination of these agreements will secure the continued partnership of the City and the Team for another generation and will fortify the economic impact, national and international identity, community unity, and philanthropy that the City has enjoyed since 2008.

Review:

City Manager's Office

Recommendation: Agreement be approved.