



MEMORANDUM

Council Agenda
Item No. IX. AQ
12/6/2022

The City of OKLAHOMA CITY

TO: Mayor and City Council

FROM: Craig Freeman, City Manager

Amendment No. 1 to Third Amended and Restated Facilities Management Agreement with the Oklahoma City Public Property Authority and SMG/ASM for management and operations of the Paycom Center (formerly the Chesapeake Energy Arena) and Prairie Surf Media (formerly the Cox Convention Center), 100 West Reno Avenue and One Myriad Gardens. Ward 7.

Location:

Paycom Center (formerly the Chesapeake Energy Arena) and Prairie Surf Media (formerly the Cox Convention Center), 100 West Reno Avenue and One Myriad Gardens, Ward 7.

Purpose:

ASM/SMG manages and operates the Paycom Center (formerly the Chesapeake Energy Arena), as well as Prairie Surf Media (formerly the Cox Convention Center). The proposed Amendment No. 1 to Third Amended and Restated Facilities Management Agreement (the "Third Amended Agreement") provides for a three (3)-year extension of their existing agreement to coincide with the three (3) year extension of The Professional Basketball Club, LLC. (PBC) and one additional automatic three (3) year extension if the PBC LLC extends a second time.

Additionally, this releases ASM from the management of the City owned billboard in Bricktown (next to the U-Haul location) should the site be redeveloped.

Background:

On October 19, 1999 (Item No. PPA. 3. & VIII. H.), the City Council and OCPPA jointly approved a Definitive Agreement, Sublease and Management Agreement with SMG for private management services for the Cox Convention Center, preopening consultation services and management services for the new Downtown Arena. On June 26, 2001 (Item No. PPA. 5. and VI. AA.), the City Council and the OCPPA approved an Amended and Restated Definitive Agreement, Sublease and Management Agreement with SMG. On July 1, 2008 (Item No. PPA. J. and VI. CH.), the City Council and the OCPPA approved a Facilities Management Agreement with SMG. On April 2, 2013 (Item No. PPA.A and VI.N.), the City Council and the OCPPA approved a First Amendment and Renewal of Facilities Management Agreement with SMG. On July 3, 2018 (Item No. PPA.D. and VI.BD.), the City Council and the OCPPA approved the Second Amended and Restated Facilities Management Agreement with SMG. On November 23, 2021, the City Council and OCPPA approved the Third Amended Agreement that changed ASM/SMG compensation for FYE 2021 due to COVID -19 and the change in management role for Prairie Surf Media (PSM) from a convention center to a movie/film studio.

The success and advancement of Oklahoma City's public event facilities adds to the City's quality of life, stimulates the visitor-based economy, enhances Oklahoma City's national and international image and creates value for existing and future facility sponsors.

The proposed Amendment No. 1 to the Third Amended and Restated Facilities Management Agreement is to extend the current agreement that expires on June 30, 2023, for three (3) years to June 30, 2026, to coincide with the PBC, LLC, Use License Agreement extension and one automatic three (3) year extension of the agreement should PBC, LLC. extend a second time, ending on June 30, 2029.

Review:

City Manager's Office

Recommendation: Agreement be approved.