

# GENERAL

## Ordinance Fact Sheet

**Brief Title:****Approval  
Deadline**

**Authorizing the City Manager to execute a Loan Termination and Capital Investment Agreement with the National Association of Basketball Coaches Foundation, Inc.**

**Reason:**

**To terminate an existing loan obligation payable to the City and establish an annual obligation by the National Association of Basketball Coaches Foundation, Inc. ("NABC") to fund capital improvements at the College Basketball Experience.**

**Details****Reason for Legislation**

City, NABC and Anschutz Kansas City Arena, LLC, have determined that NABC must cease hosting High School Aged Promoter-Led Nightlife Events. These events are a significant source of revenue to NABC, and their elimination will make it difficult for NABC to finance anticipated capital improvements to the College Basketball Experience ("CBE") while fully repaying an existing financial obligation to City. In an effort to further encourage capital improvements to the CBE, the parties have agreed to terminate the Loan, release the City's security interest, and provide for not less than \$85,000 in annual capital improvements by NABC each year through 2024.

**Discussion**

City, NABC and Anschutz Kansas City Arena, LLC previously entered into an agreement granting NABC the right to use and occupy the NABC Facilities. City extended NABC a loan for the cost overruns in the construction of the CBE in the maximum principal amount of \$1,170,000, evidenced by a promissory note payable to the City. The City also has a security interest in all personal property of NABC located at the NABC Facilities

City, NABC and Anschutz Kansas City Arena, LLC, have determined that NABC must cease hosting promoter-led events at CBE that cater to high school aged teens. Those events are a significant source of revenue to NABC, and their elimination means NABC will have difficulty financing anticipated capital improvements to the CBE. In an effort to further encourage capital improvements to the CBE by NABC, the parties have agreed to terminate the Loan and release the security interest. In exchange, NABC will be obligated to continue making annual capital investments in the CBE of at least \$85,000 per year through 2024.

In the event NABC fails to make the required investments to the required levels, the City will have the right to recoup from NABC what it was obligated to spend per this restructured agreement, plus interest.

**Positions/Recommendations**

<b>Sponsor</b>	City Manager
<b>Programs, Departments, or Groups Affected</b>	
<b>Applicants / Proponents</b>	<b>Applicant</b>  <b>City Department</b> City Manager's Office
<b>Opponents</b>	<b>Other</b>  <b>Groups or Individuals</b> None known
<b>Staff Recommendation</b>	<b>Basis of opposition</b>  <input checked="" type="checkbox"/> <b>For</b>  <input type="checkbox"/> <b>Against</b>  <b>Reason Against</b>  <b>By</b>  <input type="checkbox"/> <b>For</b> <input type="checkbox"/> <b>Against</b> <input type="checkbox"/> <b>No action taken</b>  <input type="checkbox"/> <b>For, with revisions or conditions</b> ( see details column for conditions)  <input type="checkbox"/> <b>Do pass</b> <input type="checkbox"/> <b>Do pass (as amended)</b> <input type="checkbox"/> <b>Committee Sub.</b> <input type="checkbox"/> <b>Without Recommendation</b> <input type="checkbox"/> <b>Hold</b> <input type="checkbox"/> <b>Do not pass</b>
<b>Board or Commission Recommendation</b>	
<b>Council Committee Action</b>	

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<b>Policy or Program Change</b>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
<b>Operational Impact Assessment</b>	
<b>Finances</b>	
<b>Costs &amp; Revenue Projections - Including Indirect Costs</b>	
<b>Financial Impact</b>	
<b>Fund Source(s) and Appropriation Account Codes</b>	
<b>Is this Ordinance or Resolution Good for the Children</b>	Yes. In exchange for termination of the loan repayment obligation, this agreement will guarantee that significant capital improvements continue to be made to the College Basketball Experience so that it remains in top condition and continues to draw tourism and economic growth downtown.

**Applicable Dates:**

**Prepared by:** Brian Rabineau, Assistant City Attorney

**Reviewed by:**

**Reference Numbers**