

State Fair Of Texas Contract

Briefing

Dallas Park and Recreation Board

June 2, 2016

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State Fair of Texas

- State Fair of Texas (SFT) is a 501(c)(3) non-profit organization with the mission to celebrate all things Texan by promoting agriculture, education, and community involvement through quality entertainment in a family friendly environment



A Brief History

- The Dallas State Fair and Exposition, to which the present State Fair of Texas traces its origin, was chartered on January 30, 1886
- Differences arose among the early directors over where to build the new fairgrounds
 - W. H. Gaston proposed property in East Dallas, an 80-acre tract within the modern boundaries of Fair Park
 - G. A. Keating and his supporters secured a charter for a separate event, the Texas State Fair and Exposition on a site in North Dallas

History

- The rival associations merged in 1887, becoming the Texas State Fair & Dallas Exposition and purchased 37 acres adjacent to the East Dallas site
- The Texas Legislature banned gambling on horse racing in 1903
 - Eliminated the Fair's main source of income, creating a financial crisis
 - Texas State Fair rejected land acquisition offers from developers to protect the valuable community asset
 - Texas State Fair deeded its property to the City of Dallas in 1904 under an agreement that set aside a period each fall for the annual exposition in exchange for funding a new fire-proof exhibit hall
 - The previous exhibit hall had burned down in 1903

History

- The reorganized SFT prospered immediately as 300,000 people streamed through the gates in 1905
- President William Howard Taft visited in 1909 and President Woodrow Wilson gave a speech at the State Fair of Texas in 1911
- Attendance topped 1M in 1916
- The State Fair of Texas was cancelled in 1918 due to World War I and Fair Park was converted into a temporary army encampment

History

- The Music Hall was completed in 1925 and outstanding New York shows were presented to Texas audiences for the first time
- The University of Texas/Oklahoma University football game was established as an annual fair time event in 1929
- In 1930, the race track was replaced with a new 46,000 seat Fair Park Stadium – today's Cotton Bowl Stadium

History

- In 1934, Fair Park was selected as the site for the Texas Centennial Celebration
- The State Fair of Texas was not held in 1935 or 1936
 - Construction began on a project that transformed the fairgrounds into the exposition
 - \$25M in funding provided by the City of Dallas
- The 1936 Texas Centennial Exposition attracted more than 6.5M people during its six-month run
- The Pan American Exposition followed in 1937
- Between 1942-1945 no fairs were held due to World War II
- Attendance reached 2M visitors in 1949

History

- In 1986, Fair Park was declared a National Historic Landmark and the SFT celebrated the Texas Sesquicentennial and their 100th anniversary with a 3-day exposition
- The SFT operated Fair Park until 1986 when the City of Dallas assumed the day-to-day operations of the park
- The City of Dallas and the State Fair of Texas entered into a contract for the use of Fair Park on April 27, 1987
 - The contract was amended twice and was set to expire in 2007
- Discussions began on a new contract before expiration of the original agreement

SFT Agreement with the City of Dallas

- Twenty-five (25) year term effective January 1, 2003 through December 31, 2027
 - Annual rent currently at \$1,350,000 and escalating to \$1,750,000 beginning in 2023
 - Two automatic five-year options, unless the City or SFT elect not to renew the agreement in writing
 - Annual rent of \$1,950,000 effective 1/1/2028
 - Annual rent of \$2,250,000 effective 1/1/2033
 - SFT shall be responsible for the annual SFT, including football games at the Cotton Bowl Stadium and operation of the Midway
 - Possession and occupancy sixty (60) days prior to SFT
 - Run of the annual SFT
 - Possession and occupancy thirty (30) days after the closing of SFT

Amendments

- First Amendment to the lease agreement approved by City Council on August 9, 2006
 - Allowed SFT to fund Phase 1 improvements at the Cotton Bowl Stadium estimated at \$19,500,000
 - Installation of a video scoreboard
 - Sound systems
 - Preliminary design and engineering fees
 - City of Dallas agreed that in consideration of SFT undertaking and providing funding, the City would forego, and SFT would not be obligated to make rental payments under the agreement in an amount of \$13,900,000
 - SFT was to also provide their costs for interest on the loan



Amendments

- Second Amendment was approved by City Council on October 22, 2008
 - Granted SFT a period of five years for the rights to enter into naming rights contracts for the Cotton Bowl Stadium and Summer Adventures
- Third Amendment was approved by City Council on April 6, 2011
 - Determined it is in the best interests of the parties to have SFT pay its annual marketing fee of \$50,000 to the Dallas Convention and Visitors Bureau on or before January 15th of 2012, 2013, 2014 and 2015



Amendments

- Fourth Amendment was approved by City Council on February 13, 2013
 - Set forth the terms and conditions upon which SFT will operate and maintain the proposed Livestock Center, and
 - Established a parking revenue arrangement with respect to the operation of Summer Adventures in Fair Park



Cultural Facilities and Community Outreach Program Support

- SFT Cultural Facilities and Community Outreach Support for the Year ending December 31, 2016 totals \$1,047,119
- (Minimum of \$150,000 required by contract)
 - African American Museum - \$25,000
 - Texas Discovery Gardens - \$25,000
 - Dallas Historical Society - \$170,000
 - Friends of Fair Park - \$12,000
 - Scholarships Awarded - \$1,200,000
 - Fair Park High Schools Scholarship Luncheon - \$15,669
 - Community Initiatives - \$250,000
 - Contributions - \$112,000
 - Membership Dues - \$10,450



Property and Land Acquisition

- SFT currently owns \$5,058,422 in land assets
 - \$3,797,457 (75%) of land assets acquired between 1993 and 2002
 - Union Pacific land purchase (\$2,343,040)
 - Oldham Lumber land purchase (\$530,110)
 - \$999,434 (20%) of restricted land assets were purchased to enhance livestock operations between 2008 and 2011 with Simmons Family Trust funds, which included various lots and the Opera Warehouse (\$278,867)
 - \$261,530 (5%) of land assets were purchased between 2003 and 2006 and between 2010 and 2011

Property and Land Acquisition

- \$4.3M has been used for land acquisition from excess revenues since 1990
- Properties were necessary for parking and for Fair Park and SFT operations
 - Bleacher and equipment storage
 - SFT livestock trailer parking
- Last purchase was the Opera Warehouse in 2011 adjacent to the SFT Operations Office



Current SFT Initiatives

- SFT Youth Livestock Auction and Scholarship Program
 - Eligible recipients include graduating seniors from five DISD schools in the Fair Park area and students from around the State of Texas who have competed in SFT Livestock events
 - Program has awarded scholarships to more than 1,600 students since program inception in 1992
 - In 2016 the SFT awarded more than \$1.2M in new scholarships to 201 students; 90 in the Fair Park area and 111 throughout Texas
 - Through the SFT Youth Livestock Auction and Scholarship Program, the SFT has awarded more than \$23M in auction awards and scholarships

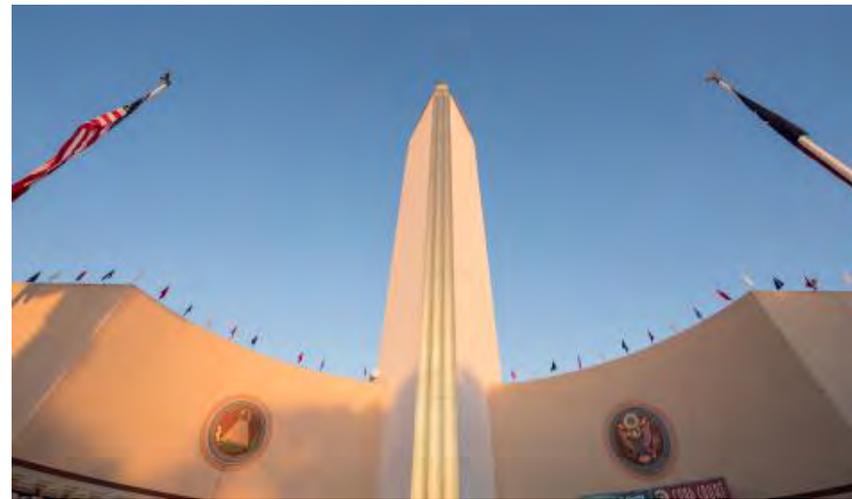
Current SFT Initiatives

- Big Tex Urban Farms
 - Comprised of 100 raised planter beds of fresh organic produce to be donated to communities around Fair Park
 - Crops include tomatoes, corn, pumpkin, okra, cucumber, black-eyed peas, jalapenos, other peppers, watermelon, and cantaloupe
 - During the SFT, plots will be placed throughout the grounds to promote urban agriculture opportunities



Current SFT Initiatives

- Partnership with the North Texas Food Bank and Kroger
 - More than 303,000 pounds of food were donated by fairgoers in 2015
 - The 2015 donations translated to 221,229 meals for those in need
 - Since 2011, more than 1.1M pounds of food have been donated by fairgoers to families throughout North Texas



Current SFT Initiatives

- Partnership with Canstruction
 - 191,544 cans of food donated to North Texas and Tarrant County Area food banks
- State Fair Cares
 - Vendor program to donate unused products at the end of the State Fair to local food pantries
- Community Involvement through Creative Arts Program
- Farm Day at the Fair in partnership with Big Thought
 - TEKS aligned curriculum for grades 4th through 8th
 - More than 1.8M free admission tickets to students and teachers in North Texas

SFT Reserves

- Minimum of \$4.5M in reserves is required by the agreement with the City of Dallas
- SFT Board of Directors has established the minimum at \$5.5M
- Current reserve funding level is at \$10M which addresses:
 - Ample reserves in case of a catastrophic event
 - Excessive rain days or poor attendance at a SFT

2015 SFT Highlights

- Total revenues of \$53,450,724
- Total expenditures of \$47,246,561
- Net income of \$6,158,411 divided as agreed upon between SFT and City of Dallas:
 - Capital expenditures primarily benefitting SFT operations
 - Major Maintenance (Improvements) to Fair Park real property



Audit Recommendation

- City Auditor's Report of the Audit of Fair Park Business Partners Oversight of *May 5, 2016*
- Recommended that staff work with the City Attorney's Office and SFT to develop and agree on a contract definition that is sufficiently clear to allow the department to verify the reasonableness of the amounts determined by SFT as available for the development and enhancement of Fair Park
- Department staff, SFT, CAO, and the Fair Park Texas Foundation have begun discussions to clarify the "application of excess revenues" as stated in the current agreement

Appendices

- SFT Agreement Highlights
- 2010-2016 Major Maintenance and Capital Expenditures Summary



State Fair Of Texas Contract

Briefing

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Appendix 1

STATE FAIR OF TEXAS AGREEMENT HIGHLIGHTS

Current Agreement

- Through Council Resolution 02-2405 approved on August 28, 2002, a new Fair Park Contract was executed on May 21, 2003 between the City of Dallas and the State Fair Of Texas
 - Effective date of January 1, 2003 through the 2027 SFT.
 - Additional twenty-five year term with two automatic five-year options to renew, unless the City or State Fair elect not to renew the agreement in writing
 - First extended term non-renewal written notice to the other party by December 1, 2025
 - Second extended term non-renewal written notice to the other party by December 1, 2030.

Agreement Statement of Purpose and Policy

- City shall be responsible for the year-round operation, programming, maintenance and development of Fair Park
- The State Fair (SFT) shall be responsible for assembling, programming, operating, conducting and disassembling the annual Fair, including football games or professional athletic events at the Cotton Bowl during the period of the Fair, and operation of the Midway, both during the period of the Fair and periodically throughout the year according to the agreement
- Intent of the parties to award concession and other contracts on a non-discriminatory basis and to promote equal access to business opportunities at Fair Park

Conduct of the Annual State Fair of Texas

- SFT shall have possession and occupancy of Fair Park, other than the City permanent areas and Cultural Facilities, for the period of the Fair, or such additional time as may be agreed to by the parties
- SFT may assume possession and occupancy of Fair Park, other than the City permanent areas and Cultural Facilities, up to sixty (60) days prior to the opening of the Fair
- SFT may also have possession and occupancy of Fair Park, other than the City permanent areas and Cultural Facilities, for a period not to exceed thirty (30) days after the closing of the annual SFT.

Conduct of the Annual State Fair of Texas

- City agrees that Fair Park, including the Cotton Bowl but excluding the City Permanent Areas and Cultural Facilities, shall be made available in good, clean and usable condition each year prior to occupancy by the SFT for the conduct of the Fair.
- SFT agrees to return those portions of Fair Park used for the annual fair in good, clean, and usable condition, normal “wear and tear” excepted
- During the setup and take down periods, Fair Park shall remain open to the general public and areas not being used by SFT may be programmed and used by the City as long as it doesn’t unreasonably interfere with the setup and take down.
 - SFT agrees to cooperate to accommodate City events during the setup and take down periods.

The Midway Operations

- SFT shall program and operate the Midway during the Period of the Fair and throughout the year as deemed economically feasible by the SFT.

Concessions and Exhibit Contracts

- SFT may enter into contracts for temporary concessions, exhibit, attraction, or entertainment enterprise for terms not to exceed the term of the agreement with the City when the contracts are to be performed during the Period of the Fair.
- SFT may enter into long-term Cotton Bowl contracts for annual sports events during the Period of the Fair (i.e.. TX/OU and Grambling/Prairie View A&M) for terms not to exceed the term of its agreement with the City.

Concessions and Exhibit Contracts

- City may solicit, award, and renew long term concession contracts for the Cotton Bowl, Old Mill Inn, exhibition halls and other permanent buildings for which long-term food and drink concessions are deemed appropriate.
 - Shall be awarded for terms of one or more years and may be renewable by the Park Board as it deems appropriate.
 - City agrees to cooperate and consult with the SFT prior to the awarding of any future long-term concession contracts

Concessions and Exhibit Contracts

- City shall require new/renewed contractors to operate any concessions subject to the rules of the SFT during the period of the Fair, including incorporating the execution of the “Fairtime Food Concession Agreement” into such contracts.
- A condition of these contracts that during the Period of the Fair, SFT shall have a unilateral right to suspend a contract for cause, if the SFT determines that the concession contractor has:
 - Failed to comply with the rules and regulations of the SFT,
 - Breached the “Fairtime Food Concession Agreement,
 - Failed to pay the appropriate percentage of gross receipts, or
 - Otherwise failed to perform in accordance with the terms and conditions of the concession contract or “Fairtime Food Concession Agreement”

Concessions and Exhibit Contracts

- City agrees to provide the SFT with at least ninety (90) days advance notice prior to the award of any concession contract for a term of one year or more at Fair Park.
- City agrees to receive and give consideration to any recommendations, suggestions or comments which the SFT may provide, however, the City's decision to award contracts shall be in its sole and unqualified discretion

Concessions and Exhibit Contracts

- City may solicit and award temporary contracts for concessions at Fair Park which do not involve operations during the Period of the Fair, the Midway, or State Fair Permanent Areas.
- All concession contracts which operate only during the Period of the Fair, excluding those in Cultural Facilities, will be solicited, awarded, supervised and managed solely by the SFT.
- SFT shall have the sole authority to legally establish all fees, rates, fares and charges for all concessions, rides, admission, parking, exhibits, sporting events, sponsorships and all other activities at Fair Park for the period of the Fair, except for fees charged by or at Cultural Facilities.

Income and Revenue

- SFT shall receive all revenues from temporary concession contracts, rentals, exhibit fees, sporting events, entertainment events, vehicle parking fees, sponsorships, and all other sources of revenue from Fair Park generated during the Period of the Fair, except for revenue generated by the Cultural Facilities.
- SFT shall receive the revenue generated during the Period of the Fair that would otherwise be collected by the City from concessionaires at Fair Park under contracts with the City, except for those involving the Cultural Facilities.

Income and Revenue

- SFT shall receive all revenue from the operation of the Midway whenever operated by the SFT, including concessions for operations within the Midway.
- SFT shall receive all revenues from temporary concession contracts, rentals, exhibit fees, events, vehicle parking fees, sponsorships, and all other sources of revenue from the operations of the State Fair Permanent Areas during non-Fair periods; provided that the City shall receive same from City events during non-Fair periods, even if such revenue is generated from the use of State Fair Permanent Areas.
- City must secure prior written approval of the SFT for use of State Fair Permanent Areas for City events; however, SFT will make every reasonable effort to accommodate such requests.

Income and Revenue

- City shall receive all revenue from concession contracts, rentals, exhibit fees, vehicle parking fees, sponsorships, and all sources of revenue in Fair Park except:
 - During the Period of the Fair,
 - All revenues from the Midway, when the Midway is operated by the SFT during non-Fair periods,
 - All revenue from the State Fair Permanent Areas

Annual Rental Fee

YEAR	ANNUAL RENTAL FEE	QUARTERLY PAYMENT AMOUNT
2003 thru 2007	\$950,000	\$237,500
2008 thru 2012	\$1,150,000	\$287,500
2013 thru 2017	\$1,350,000	\$337,500
2018 thru 2022	\$1,550,000	\$387,500
2023 thru 2027	\$1,750,000	\$437,500

Annual Rental Fee

- Payable by the SFT to the City in equal quarterly installments on or before the 15th of the first month of each calendar quarter (January, April, July, and October) during the initial term of the contract.
- During First Extended Term, the SFT shall pay the City an annual rental fee of \$1,950,000 each year in equal quarterly installments (effective 1/1/2028).
- During the Second Extended Term, the SFT shall pay the City an annual rental fee of \$2,250,000 in equal quarterly installments (effective 1/1/2033).

Annual Rental Fee

- City agrees that the entire amount of the rental fee paid shall be placed in a special account by the City and used only for the operation, maintenance, development and improvement of Fair Park.
- As additional consideration, SFT shall pay to the City on or before January 15th of each year an annual marketing fee in the amount of \$50,000 to provide for marketing and community programs involving Fair Park as determined by the City in its sole and absolute discretion.
- As additional consideration, SFT agrees to spend at least \$150,000 each calendar year with the Cultural Facilities and Community Outreach Programs. The specific expenditure items shall be determined by and in the sole and absolute discretion of the SFT.

Other Consideration and Obligations

- Following any use of Fair Park, the SFT shall return the premises of Fair Park to the City in the same and as good a condition as before the use, normal “wear and tear” excepted, unless otherwise agreed in writing by the City’s Director of Park and Recreation Department.
- SFT agrees to develop and maintain a reserve fund in an amount of at least \$4,500,000. Fund shall be used only upon authorization by the Board of Directors of the SFT and only for purposes consistent with ensuring the future operation of the annual Fair.

Other Consideration and Obligations

- SFT agrees to pay the following costs:
 - All electrical energy, natural gas, and sewer utility costs incurred for the period from September 15th through October 31st each year, excluding City Permanent Areas and Cultural Facilities
 - Cost associated with private “meter reading” personnel to determine the SFT utility usage
 - All utilities attributable to the SFT Permanent Areas throughout the entire year
 - All utilities attributable to the SFT Seasonal Areas during the period of their usage by the SFT
 - All utilities attributable to the Midway for non-Fair periods of operation by the SFT, including set-up and take-down periods

Other Consideration and Obligations

- The City shall invoice the SFT:
 - Each year of the Agreement for all costs associated with utility usage by the SFT during the previous Fair.
 - Monthly during the Agreement for all costs associated with utility usage by the SFT for State Fair Permanent Areas.
 - For utility usage by the SFT for non-Fair Midway operations and use of SFT Seasonal Areas by the SFT as soon thereafter as is practicable.
- The SFT shall pay the City such utility costs within forty-five (45) days of receipt of such invoices.

Other Consideration and Obligations

- SFT shall require all of its contractors for any construction, repair or renovation work to obtain performance and payment bonds if those would be required for the same work by the City.
 - Both City and SFT shall be named as joint obliges in all bonds
 - SFT agrees to require all contractors and concessionaires of the SFT to indemnify both the SFT and the City, and to provide reasonable insurance (not less than required by the City) naming the SFT and the City as additional insured.

Other Consideration and Obligations

- SFT shall not, either by act or omission, allow its non-profit status with the State of Texas or the Internal Revenue Service to lapse or become forfeit.

Allocation of Net Revenues

- SFT agrees to expend the excess of its revenues, less expenses and after all reasonable and prudent reserves are funded, on major maintenance and capital expenditures, which the SFT agrees to use for the development and enhancement of Fair Park and the Fair, using as a reference and guide the mutually agreed upon Long Range Plan.

Allocation of Net Revenues

- On or before April 30th of each year, the SFT shall present to the Director of the City's Park and Recreation Department a schedule of the following:
 - Major maintenance and capital expenditure projects which the SFT will undertake for the year, and
 - Allocation of anticipated expenditures by the SFT for Cultural Facilities and Community Outreach Programs
- “Major Maintenance” project shall mean capital projects to Fair Park real property or any improvements thereon.

Allocation of Net Revenues

- SFT agrees to cooperate and consult with the Director of the City's Park and Recreation Department prior to preparing and submitting the schedule for major maintenance and capital expenditure projects.
- No major maintenance projects may be pursued without the Director of the City's Park and Recreation Department's advance review and written approval.

Allocation of Net Revenues

- All applicable major maintenance and capital expenditure projects performed by the SFT shall be inspected by Planning, Design and Construction staff of the Park and Recreation Department for compliance with City Codes.
- City shall have the right to audit the schedule of major maintenance and capital expenditure projects to ensure proper compliance with the terms of the Agreement.

State Fair Office Space and Other Areas

- SFT shall occupy or control on a year-round basis the office space and other areas within Fair Park constituting State Fair Permanent Areas.
- SFT shall occupy or control on a year-round basis the office space and other areas within Fair Park constituting State Fair Seasonal Areas (Exhibit D).
- SFT shall have exclusive control of the adjacent parking areas to the SFT Permanent Areas and Seasonal Areas.

State Fair Office Space and Other Areas

- SFT agrees to pay the costs of all maintenance and utilities for SFT Permanent Areas and SFT Seasonal Areas (when occupied) during the term of the Agreement.
- Should SFT elect not to occupy or use the first floor offices of the Centennial Building, designated as a SFT Seasonal Area, the City may elect to take over said space in which event it shall be removed from the SFT Seasonal Areas and added to the City Permanent Areas.

Records and Audits

- SFT shall provide the City with audited annual financial statements, together with report of independent public accountants, by May 1 of each year of this agreement.
- City reserves the right to conduct audits of the SFT regarding compliance with the Agreement.
- SFT agrees to maintain all financial records for a period of five (5) years.
- SFT agrees to permit access to its records by the City Auditor, or any outside auditor retained by the City, for the purpose of conducting audits during regular business hours and upon reasonable notice.

Liaison Committee

- If the parties desire, a Liaison Committee shall be established and meet as necessary as determined by its members:
 - Two members from the Board of Directors of the SFT and two members of the Park Board.
 - Purpose is to enhance liaison and communication between the parties, and to provide a format for ongoing discussions of mutual goals for the support and improvement of Fair Park and the presentation of the Fair
 - Shall function in an advisory capacity only, without policy or decision making authority.
 - Reports, recommendations, and suggestions shall be received and considered by the SFT Board of Directors and the Park Board.

Liaison Committee

- The Committee shall also function as an Advisory Review Committee in the event of differences of opinion or disagreement related to the award or termination of concession contracts, when matters cannot be satisfactorily by the Director of Park and Recreation Department and President of the SFT.
- When functioning as an Advisory Review Committee, the Liaison Committee shall be augmented by an additional member, who shall be a neutral citizen of the City of Dallas selected by agreement of the Committee.

Liaison Committee

- After conducting a review of the facts and circumstances, the Committee shall submit its conclusion and recommendation for appropriate action, which recommendation shall be submitted to the Park Board and Board of Directors.
- The final resolution of disputed matters shall be consistent with the terms and conditions of the Agreement

Casualty and Condemnation

- In the event a substantial enough portion of Fair Park is damaged or destroyed by casualty or taken in condemnation or conveyed under threat and in lieu of condemnation such that the remainder is no longer a reasonably suitable site/venue for presenting the SFT, either party may terminate the Agreement by written notice to the other.

First Amendment

- First Amendment to the Lease Agreement between the State Fair of Texas and the City of Dallas was approved by Council Resolution 062070 on August 9, 2006.
- The State Fair of Texas and the City of Dallas desired to fund Phase 1 improvements at the Cotton Bowl Stadium.
- Phase 1 costs estimated at \$19,500,000 for installation of a video scoreboard, sound system and preliminary design and engineering fees

First Amendment

- State Fair of Texas agreed to undertake and/or provide funds to the City of Dallas for the Phase 1 Improvements.
- City of Dallas agreed that in consideration of the SFT undertaking or providing funds in an amount not to exceed \$19,500,000, the City would forego, and the SFT would not be obligated to make rental payments under the agreement in an amount of \$13,900,000.
- SFT agreed to deliver the scoreboard, sound system and preliminary design and engineering fees, (1) title, free and clear of claims, liens and encumbrances and (2) certified copies of the purchase and installation services invoices.

First Amendment

YEAR	SFT In-Kind Rent Payments
2006	\$237,500 (last quarterly payment)
2007	\$950,000
2008	\$1,150,000
2009	\$1,150,000
2010	\$1,150,000
2011	\$1,150,000
2012	\$1,150,000
2013	\$1,350,000
2014	\$1,350,000
2015	\$1,350,000
2016	\$1,350,000
2017	\$1,350,000
2018	\$212,500

Second Amendment

- Second Amendment to the Lease Agreement between the State Fair of Texas and the City of Dallas was approved by Council Resolution 082858 on October 22, 2008.
- Granted the SFT a period of five years for the rights to enter into naming rights contracts for the Cotton Bowl Stadium and Summer Adventures.
 - All naming rights not to exceed ten (10) years
 - Be of first class quality, tasteful, and suitable for facilities catering to families, children and youth patrons
 - Include commercially reasonable terms consistent with industry standards and good practices
 - Comply with all applicable Park Board and City policies, rules and contracts.

Second Amendment

- Any proposed naming rights subject to approval by the Park and Recreation Board
 - Subject to the right of the City Council to veto the Park and Recreation Board's approval of the naming rights contract
 - Once approved by the Park and Recreation Board, the Director of Park and Recreation Department shall submit the proposed naming rights contract to the City Council within five (5) calendar days.
- Pursuant to City Council Resolution, the City Council has 60 calendar days following receipt to exercise its right to veto the Park and Recreation Board's approval of the naming rights contract.

Second Amendment

- Any naming rights contract that proposes to name the Cotton Bowl Stadium must retain “Cotton Bowl” in its name.
- Authority to seek naming rights may not be assigned without approval of the Park and Recreation Board.
- Any revenue from any naming rights contracts, less administrative fees or percentage of revenue, shall be deposited in a separate fund of the Dallas Parks Foundation to be used only for improvements or activities benefitting the Stadium, including but not limited to incentives to attract new games and events.
- The Second Amendment expired in 2013.

Third Amendment

- Third Amendment to the Lease Agreement between the State Fair of Texas and the City of Dallas was approved by Council Resolution 110892 on April 6, 2011.
- The parties desired and agreed that it is in the best interest of the City to have the SFT pay its annual marketing fee of \$50,000 to the Dallas Convention and Visitors Bureau (DCVB) for marketing purposes, rather than to the City.
 - City agreed the SFT direct the annual marketing fee required by the agreement to the DCVB on or before January 15th of 2012, 2013, 2014, and 2015.
 - SFT shall resume paying the City the annual marketing fee of \$50,000 beginning on or before January 15, 2016 and each year thereafter until the expiration or termination of the Agreement.

Fourth Amendment

- Fourth Amendment to the Lease Agreement between the State Fair of Texas and the City of Dallas was approved by Council Resolution 130308 on February 13, 2013.
- Parties desired amend the agreement to (1) set forth the terms and conditions upon which SFT will operate and maintain the Live Stock Center if and when constructed and (2) reflect a parking revenue arrangement with respect to the operations of Summer Adventures in Fair Park

Fourth Amendment

- SFT shall operate and maintain the premises to be used and enjoyed by the citizens of Dallas and its visitors
- Fee Simple title to the premises and all improvements vest with the City of Dallas.
- SFT shall pay all management, maintenance, repair, and operating expenses for the Premises and all other costs of SFT operations.
- During the period of the Fair, SFT shall have full access and use of the Livestock Center.
 - “Outside the Period of the Fair, SFT shall get permission from the Director in order to book any events at the Premises.

Fourth Amendment

- City shall have full access Outside the Period of the Fair and will maintain booking schedules of events.
 - SFT acknowledges and agrees that City and/or its lessees may reserve use of all or part of the Premises at no charge at times and locations that do not interfere with functions previously scheduled by the SFT Outside the Period of the Fair.
 - City will retain all revenues received from City contracted events Outside the Period of the Fair.
- SFT shall comply with all applicable environmental laws with respect to removing and managing manure on the premises.

Fourth Amendment

- Any parking revenues collected by the City Outside the Period of the Fair will not be shared with the SFT nor will the SFT be allowed to charge for parking without the prior written consent of the Director.
- Subject to the Concessions Contract for Parking Services, SFT and the City agreed to the following with respect to Summer Adventures:
 - SFT will receive 70% of the net parking revenues collected from Summer Adventures attendees.
 - City will receive 30% of the net parking revenues collected from Summer Adventures attendees.

Fourth Amendment

- SFT shall provide all security, monitoring of fire alarm services on the premises, and crowd control.
- SFT at its own expense, shall plan, prepare, implement, coordinate and supervise all advertising, marketing, public relations and other promotional programs.
- SFT shall establish reasonable operating hours, as approved by the Director.
- SFT agrees to acknowledge the City for its support in all appropriate printed materials.

Fourth Amendment

- SFT shall have the exclusive right to contract for and grant sponsorships, subject to the Director's review and approval.
- City shall have the right to audit all accounts and financial records of the SFT pertaining to the amendment.
- Subject to prior written approval of the Director, SFT shall have the right at its sole cost to make additional improvements or modifications to the premises if:
 - Necessary to comply with governmental regulations or the terms and conditions of the Agreement.
 - Required for the safe operation of the Premises or its maintenance or repair.
 - Required by any contract or agreement authorized by this Agreement and approved by the City.

Fourth Amendment

- Requested by the SFT and approved and authorized by the Director
- All additional, future improvement and renovations shall become the property of the City.
- SFT shall not sell, assign, transfer or convey the Fourth Amendment in whole or part, without the prior written consent of the Director.

Appendix 2

2011-2016 MAJOR MAINTENANCE AND CAPITAL EXPENDITURES SUMMARY

2011-2016 Major Maintenance and Capital Expenditures

YEAR	MAJOR MAINTENANCE	SFT CAPITAL PROJECTS	TOTAL
2011	\$197,636	\$3,697,097	\$3,894,733
2012	\$297,038	\$1,939,854	\$2,236,892
2013	\$3,053,087	\$19,164,011	\$22,217,098
2014	\$101,332	\$1,945,533	\$2,046,866
2015	\$10,652,365	\$1,232,479	\$11,884,844
2016	\$7,759,006	\$1,776,156	\$9,535,162
	\$22,060,464	\$29,755,130	\$51,815,595