

## **RESOLUTION**

**NO. RS12-2020-135**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CLEBURNE, TEXAS AUTHORIZING THE CITY MANAGER TO AMEND ARTICLE II, SECTION 2.4 OF THE STADIUM LEASE AGREEMENT BETWEEN CLEBURNE BASEBALL, LLC AND THE CITY OF CLEBURNE TO REFLECT A CHANGE IN THE ANNUAL RENT PAYMENT; PROVIDING AN EFFECTIVE DATE.**

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**WHEREAS**, Cleburne Baseball, LLC entered into a stadium lease agreement with the City that commenced on January 1, 2017 and expires on December 31, 2029; and

**WHEREAS**, due to the pandemic caused by the COVID-19 virus, the Cleburne Railroaders baseball team was unable to participate in the 2020 season of the American Association of Independent Professional Baseball; and

**WHEREAS**, as a result of the cancelation of their season the Cleburne Railroaders lost the opportunity to host a minimum of fifty (50) home games; and

**WHEREAS**, with the inability to host professional baseball at the stadium the Cleburne Railroaders failed to realize associated revenues typically generated from ticket sales, concessions, merchandizing, advertising and sponsorships; and

**WHEREAS**, with loss of their season the Cleburne Railroaders made efforts to keep as many staff employed as possible and utilize the stadium during this down time through their work with various youth baseball programs and by providing a place for games and tournaments; and

**WHEREAS**, while not as impactful as a typical Railroaders season, these efforts resulted in bringing over 240 games and an estimated 20,000 people to Cleburne, all of which helped bolster spending at local gas stations, restaurants, hotels, and retail stores; and

**WHEREAS**, the Cleburne Railroaders have submitted a written request to amend their lease agreement allowing the same 2020 stadium rent amount for next year (2021) and extend all other rent fee arrangements out by one year;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CLEBURNE, TEXAS:**

**SECTION ONE.** As requested, the City Council desires to amend the Stadium Lease Agreement in a manner that supports the efforts of Cleburne Baseball, LLC to recover from the canceled 2020 Railroader baseball season and other financial hardships resulting from the COVID-19 pandemic.

**SECTION TWO.** The City Council approves Amendment No. 1 modifying the annual stadium rent payments and authorizes the City Manager to take the appropriate action to formally amend the Stadium Lease Agreement between Cleburne Baseball, LLC and the City of Cleburne by removing Article II, Section 2.4 in its entirety and replacing it to read as follows:

**ARTICLE II.  
TERM; RENT**

**"2.4 Annual Rent and Marketing.** Tenant shall pay to Landlord for each Lease Year the sum of:

- (1) \$0 annual rent for 2019;
- (2) \$25,000 annual rent for 2020;
- (3) \$25,000 annual rent for 2021;
- (4) \$50,000 annual rent for 2022;
- (5) \$75,000 annual rent for 2023-24; and
- (6) \$100,000 annual rent for 2025 through the end of the Term(s)."

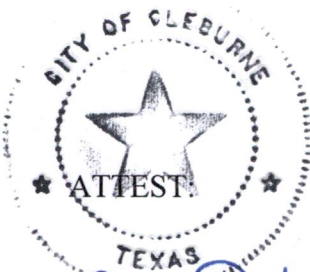
**SECTION THREE.** This Resolution shall become effective immediately upon its passage.

**PASSED AND APPROVED** this the 8th day of December, 2020, at a Regular Council Meeting of the City Council of the City of Cleburne, Texas.

CITY OF CLEBURNE

BY: \_\_\_\_\_

Scott Cain, Mayor



Ivy Peterson  
Ivy Peterson, City Secretary


AMENDMENT No. 1

*Per City Council Approval of RS12-2020-135 on December 8, 2020, the Stadium Lease Agreement between Cleburne Baseball, LLC and the The City of Cleburne, Texas, shall be amended by removing Article II, Section 2.4 in its entirety and replacing it to read as follows:*

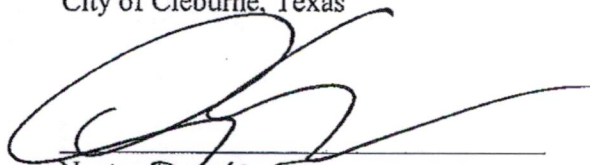
ARTICLE II.  
TERM; RENT

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- (2) \$25,000 annual rent for 2020;
- (3) \$25,000 annual rent for 2021;
- (3) \$50,000 annual rent for 2022;
- (4) \$75,000 annual rent for 2023-24; and
- (5) \$100,000 annual rent for 2025 through the end of the Term(s).

  
\_\_\_\_\_  
Steve Polasek  
City Manager  
City of Cleburne, Texas

12-11-2020  
Date

  
\_\_\_\_\_  
Name: Dawn Eudaly  
Title:  
Cleburne Baseball, LLC

12/14/20  
Date



# CITY COUNCIL AGENDA REPORT

## ITEM #: RS8

City Secretary's Use Only



DEPT REF #:

**DATE OF MEETING:** December 8, 2020

**PRESENTER:** Steve Polasek

**PRESENTER'S TITLE:** City Manager

**DEPT CONTACT EMAIL:** steve.polasek@cleburne.net

**CLASSIFICATION:**

- ☒ Regular
- ☐ Public Hearing
- ☐ Workshop Only
- ☐ Executive Session

**COUNCIL ACTION:** City Council consideration of a resolution amending Article II, Section 2.4 of the Stadium Lease Agreement between Cleburne Baseball, LLC and the City of Cleburne, Texas.

**SUMMARY STATEMENT:** Due to the COVID-19 pandemic, the Cleburne Railroaders baseball team was unable to participate in the 2020 season of the American Association of Independent Professional Baseball. As a result of the cancelation of their season, they lost the opportunity to host a minimum of fifty (50) home baseball games and failed to realize associated revenues typically generated from ticket sales, concessions, merchandising, advertising, and sponsorships. In an effort to keep as many staff employed as possible and utilize the stadium during this down time the Railroaders organization worked with various youth baseball programs by providing a place for games and tournaments. While not as impactful as a typical Railroaders season, these efforts resulted in bringing over 240 games and an estimated 20,000 people to Cleburne, all of which helped bolster spending at local gas stations, restaurants, hotels, and retail stores.

In an effort to help rebound from the pandemic, the Cleburne Railroaders have submitted a written request to amend their lease agreement with the City allowing the same 2020 rent amount for next year (2021). Section 2.4 of the Agreement provides for the following:

**2.4 Annual Rent and Marketing.** Tenant shall pay to Landlord for each Lease Year the sum of:

- (1) \$0 annual rent for 2019;
- (2) \$25,000 annual rent for 2020;
- (3) \$50,000 annual rent for 2021;
- (4) \$75,000 annual rent for 2022-23; and
- (5) \$100,000 annual rent for 2024 through the end of the Term(s).

Specifically, the request would amend the lease to allow the 2021 payment to stay at \$25,000 and push all other lease arrangements out one year as shown below:

**2.4 Annual Rent and Marketing.** Tenant shall pay to Landlord for each Lease Year the sum of:

- (1) \$0 annual rent for 2019;
- (2) \$25,000 annual rent for 2020;
- (3) **\$25,000 annual rent for 2021;**
- (4) \$50,000 annual rent for **2022;**
- (5) \$75,000 annual rent for **2023-24;** and
- (6) \$100,000 annual rent for **2025** through the end of the Term(s).

The current lease commenced on January 1, 2017 and expires on December 31, 2029. Cleburne Railroaders are current on both their lease payment for 2020 (\$25,000) and payment in to the Maintenance and Repair Reserve Fund (\$25,000).

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**DISCUSSION/PREVIOUS COUNCIL ACTION:** Not applicable.

**BOARD/COMMISSION RECOMMENDATION:** Not applicable.

**EXHIBITS:** 1) Request Letter from Cleburne Railroaders; 2) Draft Resolution

**FUNDING/FISCAL IMPACT:**

Cost: \$25,000 (loss of revenue)

Funded: ☐ Yes ☐ No ☒ N/A

☐ One-Time Expense ☐ Recurring Expense

Budget Amendment Required: ☐ Yes ☒ No

Source (Acct Description & #'s):

Fiscal Details: If approved, the City would forego an additional \$25,000 in annual rent for calendar year 2021.

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**APPROVALS/REVIEW:**

Preparer of Report: SP 11/17/20

Department Head:

Division Director:

Director of Finance:

City Secretary:

City Attorney:

City Manager:

IJP 11/17/20

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11/13/2020

Dear Mr. Polasek,

As the President and Co-Owner of the Cleburne Railroaders, I am requesting that we restructure the Stadium Lease agreement slightly, due to the pandemic and our season being cancelled in 2020. Our organization chose to keep our employees and keep the stadium as active as possible during the summer of 2020. We safely worked with youth baseball programs and provided a place for youth baseball in our professional stadium.

We feel it was a great economic boost to the community bringing over 240 games to Cleburne. We have estimated that this equated to over 20,000 people to Cleburne. This impacted gas stations, restaurants, hotels and shopping in a difficult year. That being said, we still lost our season and the ability to generate the needed revenue that would have come with sponsorship, ticket sales, food & beverage and merchandise.

Per the lease agreement with the City of Cleburne in Section 2.4, we are requesting that we pay the City \$25,000 again in 2021. We paid the lease in 2020 of \$25,000. This request would move the lease back one year and then continue moving forward as shown below.

Thank you for your consideration on this matter and the support you have given us through a difficult year.

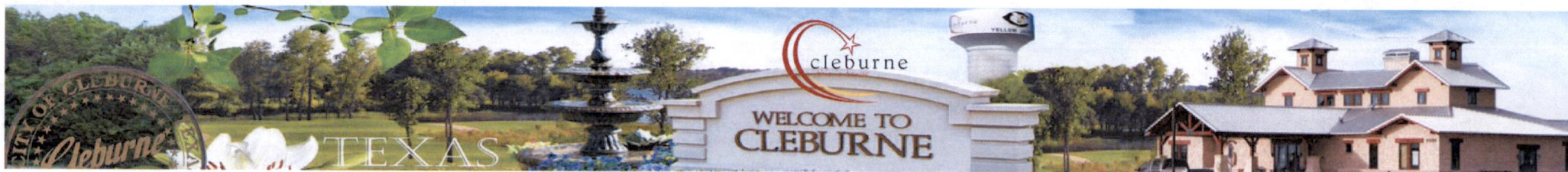
Sincerely,

John Junker - President of the Cleburne Railroaders

**2.4 Annual Rent and Marketing. Tennant shall pay landlord for each lease year the sum of:**

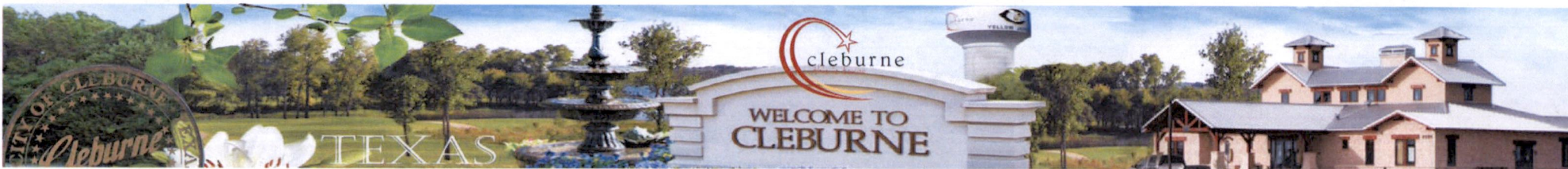
Current Lease			Adjusted Lease		
Year		Annual Rent Amount	Year		Annual Rent Amount
2019	\$	-	2019	\$	-
2020	\$	25,000	2020	\$	25,000
2021	\$	50,000	2021	\$	25,000
2022	\$	75,000	2022	\$	50,000
2023	\$	75,000	2023	\$	75,000
2024 - end of term	\$	100,000	2024	\$	75,000
			2025 - end of term	\$	100,000





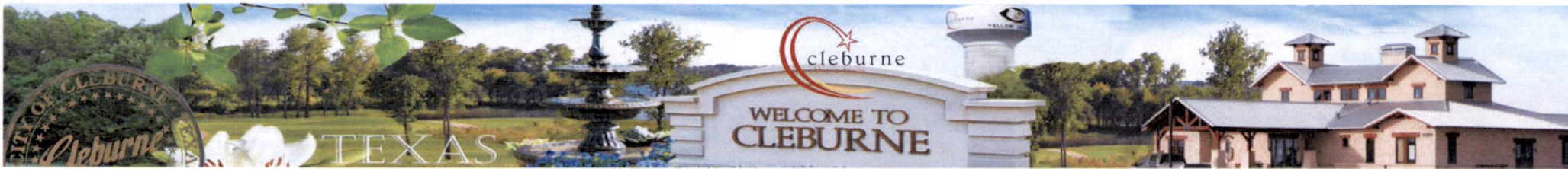
**RS8 - City Council consideration of a resolution amending Article II, Section 2.4 of the Stadium Lease Agreement between Cleburne Baseball, LLC and the City of Cleburne, Texas.**

December 8, 2020

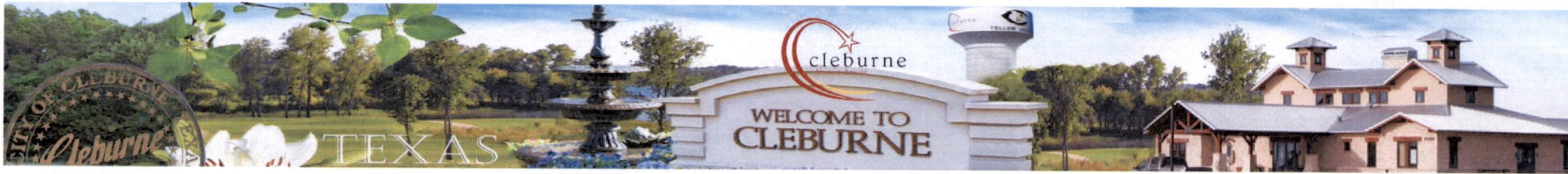


- Due to the COVID-19 pandemic, the Cleburne Railroaders baseball team was unable to participate in the 2020 season of the American Association of Independent Professional Baseball
  - lost the opportunity to host a minimum of fifty (50) home baseball games
  - failed to realize associated revenues typically generated from ticket sales, concessions, merchandising, advertising, and sponsorships
- In an effort to keep as many staff employed as possible and make use of the stadium the Railroaders organization worked with various youth baseball programs
  - provided a place for games and tournaments





- Not as impactful as a typical Railroaders season, however.....
  - efforts resulted in over 240 games
  - estimated 20,000 people to Cleburne
  - bolstered spending at local gas stations, restaurants, hotels, and retail stores
- In an effort to help rebound from the pandemic, the Cleburne Railroaders have submitted a written request to amend their lease agreement
- Requesting the same 2020 rent amount for next year (2021)
  - \$25,000
- Push all other lease arrangements out one year



**Existing**

**2.4 Annual Rent and Marketing.** Tenant shall pay to Landlord for each Lease Year the sum of:

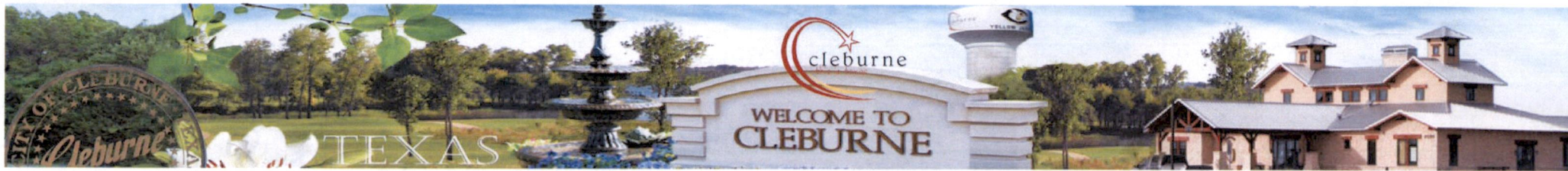
- (1) \$0 annual rent for 2019;
- (2) \$25,000 annual rent for 2020;
- (3) \$50,000 annual rent for 2021;
- (4) \$75,000 annual rent for 2022-23; and
- (5) \$100,000 annual rent for 2024 through the end of the Term(s).

**Proposed**

**2.4 Annual Rent and Marketing.** Tenant shall pay to Landlord for each Lease Year the sum of:

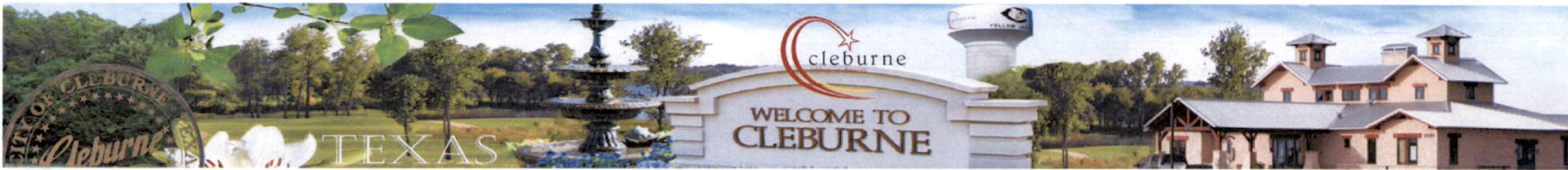
- (1) \$0 annual rent for 2019;
- (2) \$25,000 annual rent for 2020;
- (3) *\$25,000 annual rent for 2021;*
- (4) \$50,000 annual rent for *2022;*
- (5) \$75,000 annual rent for *2023-24;* and
- (6) \$100,000 annual rent for *2025* through the end of the Term(s).





- Current lease commenced on January 1, 2017 and expires on December 31, 2029
  - Financial reduction of \$25,000 in calendar year 2021 and \$75,000 over the life of the agreement
- Cleburne Railroaders are current on both their lease payment for 2020 (\$25,000) and payment into the Maintenance and Repair Reserve Fund (\$25,000)
- Cleburne Railroaders President John Junker is available for any questions





Thank you!

For more information contact:

Steve Polasek, City Manager

[steve.polasek@cleburne.net](mailto:steve.polasek@cleburne.net)

*Excellence • Integrity • Service • Communication*