



**Date:** August 20, 2013

**To:** Thomas Bonfield, City Manager  
**Through:** Keith Chadwell, Deputy City Manager  
**From:** Kevin Dick, Director, Office of Economic and Workforce  
**Subject:** Amendment to Assignment Agreement for the Durham Athletic Park (DAP) Operating Agreement

**Executive Summary**

This item is to recommend approval and execution of an amendment to the assignment agreement between the City of Durham and the Durham Bulls Baseball Club, Inc. (“Durham Bulls”) for the operation of the Durham Athletic Park (DAP). The amendment to the assignment agreement would allow the City to extend the agreement from October 1, 2013 to September 30, 2014. The monthly contract fee of \$6,130.77 would remain unchanged, for a total of \$73,569.24 for an additional twelve months.

**Recommendation**

City staff recommends that City Council authorize the City Manager to execute a second amendment to the Assignment Agreement with the Durham Bulls Baseball Club, Inc. extending the operation of the DAP an additional twelve (12) months to September 30, 2014 for an amended contract amount of \$73,569.24.

**Background**

Minor League Baseball (MiLB) approached the City in early 2007 with an interest in operating the DAP and establishing a Minor League Baseball Museum adjacent to the DAP. An operating agreement between the City and MiLB was approved by Council on August 8, 2007, and established responsibilities for the operations of the Durham Athletic Park. The operating agreement went into effect on August 1, 2009 with an expiration date of August 31, 2012. The intention for the facility during the course of renovation and from the outset of the operating agreement was as a multi-use facility that would house baseball events, as well as multi-cultural events such as corporate picnics and musical events. The agreed upon contract amount for operating the DAP was \$35,000 per year.

On October 30, 2009, an amendment to the agreement was executed with provisions related to certain day to day operations.

On September 1, 2011, MiLB conveyed its intentions to end the operating agreement on December 31, 2011. On November 28, MiLB sent a letter to the City requesting City approval to assign the operating agreement to the Durham Bulls Baseball Club.

The Assignment Agreement was approved by City Council on January 2012 with the Durham Bulls taking over operations of the DAP. This assignment agreement was

intended to last from January 2012 to August 31, 2012 for a pro-rated amount of \$23,333.36. An amendment to the assignment agreement, effective September 1, 2012, extended the agreement to September 30, 2013 and changed the monthly operating fee to \$6,130.77 per month. The proposed amendment extends the agreement to September 30, 2014.

### **Issues and Analysis**

The Durham Bulls have a familiarity with the local market for events as well as the maintenance requirements for a baseball stadium that meets NCAA Division One standards (two key aspects of DAP operations). This familiarity has helped them operate the park to an acceptable standard. OEWD is recommending no change in the monthly contract amount of \$6130.77.

For the year ending in October 2013, the Durham Athletic Park will see the following usage:

- NCCU Baseball spring season usage – 79 dates, including 50 practices and 29 games
- NCCU Baseball fall season usage – 41 dates, including 37 practices and 4 games
- Other community baseball days – 52 dates, some with multiple games
- Weddings – 2
- Festivals – 2
- Corporate softball events – 2 dates with multiple games on each day
- Other corporate events – 3 dates

For the coming year, the DAP management anticipates a similar schedule for baseball usage, and will be working to increase the number of non-baseball uses.

### **Alternatives**

City Council can choose to not approve the second amendment to the Assignment Agreement. This would leave the City of Durham without an Operator for the facility after September 30, 2013. Current resources do not exist within the City to operate the facility in its desired capacity as a multi-use facility available for baseball and multi-cultural events.

### **Financial Impact**

The amount of \$73,569.24 will be coming from OEWD's Professional Services budget.

### **SDBE Summary**

SDBE provisions are contained in the operating agreement.

### **Exhibits:**

Amendment to DAP Operating Agreement

Exhibit D: Durham Athletic Park Budget January – December 2013