

**WHEREAS**, Reunion Arena opened in 1980;

**WHEREAS**, millions of people have attended thousands of events and have captured memorable experiences at Reunion Arena;

**WHEREAS**, the City of Dallas invested \$125 million for the construction of the American Airlines Center, which opened in July 2001;

**WHEREAS**, American Airlines Center is leased and managed by Center Operating Company pursuant to a 30-year lease agreement, in which it pays the City \$3.4 million per year in rent;

**WHEREAS**, as part of the negotiation of the lease agreement for the American Airlines Center, Center Operating Company first sought to require that the City demolish Reunion Arena upon completion of American Airlines Center, as is typically the case when in other cities a new sports and entertainment facility is built to replace an existing older facility.

**WHEREAS**, the City continued to operate Reunion Arena past completion of the American Airlines Center;

**WHEREAS**, the City of Dallas lease agreement with Center Operating Company contains a provision specifying that American Airlines Center will retain the first right to negotiate with, and book, events prior to Reunion Arena being able to do so, and entered into a five year management agreement with the City of Dallas to manage Reunion Arena effective July 28, 1998 through July 27, 2003, with options to renew for additional five-year terms;

**WHEREAS**, on July 17, 2002, Center Operating Company served the City formal notice of termination of the management agreement effective September 30, 2002;

**WHEREAS**, after September 30, 2002, Convention and Event Services assumed day-to-day management of Reunion Arena;

**WHEREAS**, the first right of refusal provision in the City of Dallas and Center Operating Company agreement will continually impair Reunion Arena's ability to significantly improve its financial performance;

**WHEREAS**, on September 19, 2006, the City Council instructed staff to cease accepting bookings for Reunion Arena after June 30, 2008;

**WHEREAS**, on June 10, 2008, the City of Dallas' Economic Development Committee accepted the staff's recommendation to cease operations for Reunion Arena on June 30, 2008;

**NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**Section 1.** That the City Manager is hereby authorized to implement the following:

- a. Close Reunion Arena, cease accepting bookings for events after June 30, 2008.
- b. Secure the building in preparation for demolition.
- c. Develop a Reunion Arena demolition financing plan and schedule and present it to the Economic Development Committee and City Council for consideration during the fiscal year 2008-2009 budget deliberations.
- d. Develop a renovation and operation plan for the Dallas Convention Center Arena in light of Reunion Arena's closing. Brief the Economic Development Committee on its findings and recommendations within 60 days.
- e. That the land under Reunion Arena not be considered surplus property at this time.

**Section 2.** That this resolution shall take effect immediately from and after its passage in accordance with the Charter of the City of Dallas, and it is accordingly so resolved.

APPROVED BY  
CITY COUNCIL

JUN 25 2008

  
City Secretary