# **XFL Properties LLC**

Location: 1000 Ballpark Way Property Owner: XFL Properties LLC

600 Steamboat Rd Ste 107

Greenwich CT 06830

#### About the Project

In July 2022, the XFL selected the City of Arlington and Choctaw Stadium as the location for its corporate headquarters as well as its football operations hub, providing a centralized facility for the league's eight teams during the 2023 season, which kicks off in February. The hub provides players access to full-time, on-site support from coaches and athletic training staff and serves as a content creation center giving the league, its teams, and its players an opportunity to build personal brands and engage with fans through social media, in-person events and other media platforms.

#### Goals of the Project

The performance agreement requires that the XFL maintain their corporate headquarters at Choctaw Stadium through December 2023, and that the XFL creates and retains 25 new full-time jobs, hold their annual training camp in Arlington, and utilize Arlington hotels for 4 of the 8 teams during in-week training. XFL also agrees to have players participate in numerous community service events as well as have a member of the ownership team participate in a public engagement event. In exchange for the XFL's compliance with the performance conditions and requirements, the proposed Performance Agreement provides for two grant payments of \$311,623 each, for a total not to exceed \$623,246.

#### Current Status

The XFL kicked off the 2023 season in February 2023. The grants were paid in April and May 2023.

#### Benefit to City

The relocation of the XFL headquarters is estimated to produce taxable sales of \$230,930,373 within the City of Arlington over fifteen years, with a \$6,418,547 net benefit to all taxing jurisdictions and \$6,286,760 net benefit to the City of Arlington over the same period.

> Year Approved by Council 2023 Base Year n/a Beginning Year 2023 **Ending Year** 2023

Property Tax Account Number(s) BPP 14947540 Total Rebate Allowed \$ 623,246

Criteria Evaluated Owner shall locate its football operations hub and corporate headquarters at the property no later than January 1, 2023 and retain the hub and headquarters throughout the remaining term of the agreement.

> Owner locate no less than 25 full time jobs at the property no later than February 1, 2023, and retain those jobs throughout the remaining term of the agreement.

> Hold its annual training camp for all XFL teams at the property and utilize Arlington hotels to the greatest extent possible, in addition no less than four XFL teams shall stay in Arlington hotels during in-week training.

XFL shall refer to its football operations hub and corporate headquarters in all marketing and advertising efforts as being located in the City of Arlington and not use any other proper or informal geographic name to market or advertise.

Owner has not failed to render for taxation any property located within the City of Arlington.

Owner has not allowed any of the ad valorem taxes owed to the City to become delinquent.

Owner has not and will not knowingly employ undocumented workers.

Incentives Allowed

Two payments of \$311,623 each, for a total not to exceed \$623,246

FY23 XFL Grant #1 311,623 4/1/2023 FY23 XFL Grant #2 311,623 5/1/2023 \$ Total 623,246



# Staff Report

Performance Agreement- XFL	
City Council Meeting Date: 04-25-2023	Document Being Considered: Resolution

#### **RECOMMENDATION**

Approve a resolution authorizing the City Manager or his designee to execute a Performance Agreement between XFL Properties LLC and the City of Arlington relative to a corporate headquarters and football operations hub.

#### PRIOR BOARD OR COUNCIL ACTION

None.

#### **ANALYSIS**

In July 2022, the XFL selected the City of Arlington and Choctaw Stadium as the location for its corporate headquarters as well its football operations hub, providing a centralized facility for the league's 8 teams. The hub provides players access to full-time, on-site support from coaches and athletic training staff and serves as a content creation center giving the league, its teams, and its players an opportunity to build personal brands and engage with fans through social media, in-person events and other media platforms. In February of this year, the XFL kicked off its ten-week regular season. It is anticipated that the XFL's presence in the City of Arlington will result in taxable sales of \$230,930,373 within the City of Arlington over fifteen years, with a \$6,418,547 net benefit to all taxing jurisdictions and \$6,286,760 net benefit to the City of Arlington over fifteen years.

The proposed Performance Agreement requires that the XFL maintain their corporate headquarters at Choctaw Stadium through December 2023. It also requires that the XFL create and retain 25 new full-time jobs, hold their annual training camp in Arlington, and utilize Arlington hotels for 4 of the 8 teams during in-week training. XFL also agrees to have players participate in numerous community service events as well as have a member of the ownership team participate in a public engagement event. In exchange for the XFL's compliance with the performance conditions and requirements, the proposed Performance Agreement provides for two grant payments of \$311,623 each.

#### FINANCIAL IMPACT

The Innovation & Venture Capital Fund (Act. #910103-61002) will be used to fund the grants.

#### <u>ADDITIONAL INFORMATION</u>

Attached: Resolution with Performance Agreement

attached

**Under Separate Cover:** None Available in the City Secretary's Office: None

STAFF CONTACT(S)

Trey Yelverton City Manager

817-459-6101

Trey.Yelverton@arlingtontx.gov

#### Resolution No. 23-112

A resolution authorizing the execution of a Chapter 380 Performance Agreement by and between XFL Properties LLC and the City of Arlington, Texas relative to a corporate headquarters and football operations hub

- WHEREAS, CITY has found that providing a program consisting of a grant of funds to XFL Properties LLC (hereinafter referred to as "OWNER") in exchange for OWNER'S completion of the project proposed by OWNER will promote local economic development and stimulate business and commercial activity and create jobs within the City of Arlington (hereafter referred to as "PROGRAM"); and
- WHEREAS, Chapter 380 of the Local Government Code provides statutory authority for establishing and administering the PROGRAM provided herein; and
- WHEREAS, CITY has determined that the PROGRAM will directly establish a public purpose and that all transactions involving the use of public funds and resources in the establishment and administration of the PROGRAM contain controls likely to ensure that the public purpose is accomplished; and
- WHEREAS, the Arlington City Council has elected to participate in economic development incentives in accordance with V.T.C.A. Local Government Code, Chapter 380, and has adopted policy statements, guidelines, criteria and procedures for evaluating and considering applications and agreements for such incentives; NOW THEREFORE

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ARLINGTON, TEXAS:

I.

That all of the recitals contained in the preamble of this resolution are found to be true and are adopted as findings of fact by this governing body and as part of its official record.

II.

That the City Manager or his designee is authorized to execute a Chapter 380 Performance Agreement with OWNER to provide certain economic incentives associated with the OWNER'S corporate headquarters and football operations hub.

In authorizing the execution of and in executing the referenced agreement, the City of Arlington, Texas, through its City Council and City officials, hereby exercises a governmental function in accordance with but not limited to Section 101.0215 of the Texas Civil Practices and Remedies Code.

IV.

A substantial copy of the Chapter 380 Performance Agreement is attached hereto as Exhibit "A" and incorporated herein for all intents and purposes.

PRESENTED AND PASSED on this the	25th day of April , 2023
	at a regular meeting of the City Council of the
City of Arlington, Texas.	

ЛМ R. ROSS, Mayor

ATTEST:

ALEX BUSKEN, City Secretary

APPROVED AS TO FORM: MOLLY SHORTALL, City Attorney



THE STATE OF TEXAS §
COUNTY OF TARRANT §

# Performance Agreement

THIS PERFORMANCE AGREEMENT (hereinafter referred to as "Agreement") is entered into on May 22, 2023 (hereinafter referred to as "Effective Date") by and between XFL PROPERTIES LLC, a Delaware limited liability company, and its permitted assigns and successors (hereinafter referred to as "XFL"), and the CITY OF ARLINGTON, TEXAS, a home-rule city and municipal corporation of Tarrant County, Texas, acting by and through its City Manager or his designee (hereinafter referred to as "CITY").

#### WITNESSETH:

- WHEREAS, XFL has selected the City of Arlington and Choctaw Stadium as its football operations hub for all eight XFL teams, as well as the location for its corporate headquarters (hereinafter referred to as "Project"); and
- WHEREAS, it is anticipated that the XFL's presence in the City of Arlington will result in taxable sales of \$230,930,373 within the City of Arlington over fifteen years, with a \$6,418,547 net benefit to all taxing jurisdictions and \$6,286,760 net benefit to the City of Arlington over fifteen years; and
- WHEREAS, CITY finds that providing a program of incentives to XFL, in exchange for XFL's location of the Project in the City of Arlington, has promoted local economic development and stimulated business and commercial activity within the City of Arlington (hereinafter referred to as "Program"); and
- WHEREAS, CITY has determined that the Program will directly establish a public purpose and that all transactions involving the use of public funds and resources in the establishment and administration of the Program contain controls likely to ensure that the public purpose is accomplished; and
- WHEREAS, Chapter 380 of the Local Government Code provides statutory authority for establishing and administering the Program provided herein; NOW THEREFORE,

CITY and XFL, for and in consideration of the mutual promises contained herein, do hereby agree as follows:

# I. DEFINITIONS

The following terms shall have the following meaning for purposes of this Agreement:

- A. "Full Time Jobs" means a permanent, full-time employment position that results in actual paid employment of an employee (not independent contractor) at the Property for at least 1,820 hours per position in a calendar year. It shall not include part-time employees.
- B. "Property" means Choctaw Stadium, located at 1000 Ballpark Way, Arlington, TX 76011.
- C. "Term" means the period of time from the Effective Date through December 31, 2023, unless sooner terminated in accordance.

# II. PERFORMANCE CONDITIONS AND REQUIREMENTS

To receive and retain the grant provided for in Article III, XFL shall cause the following to occur:

- A. XFL shall locate its football operations hub and corporate headquarters at the Property no later than January 1, 2023. XFL shall retain its football operations hub and corporate headquarters at the Property throughout the remaining Term of this Agreement.
- B. XFL shall locate no less than 25 Full Time Jobs at the Property no later than February 1, 2023. XFL shall retain no less than 25 Full Time Jobs at the Property throughout the remaining Term of this Agreement.
- C. During the Term, XFL shall hold its annual training camp for all XFL teams at the Property and shall utilize Arlington hotels to the greatest extent possible, in addition no less than four XFL teams shall stay in Arlington hotels during inweek training.
- D. XFL agrees, upon the reasonable request of CITY, to use commercially reasonable efforts to have a member(s) of the ownership team participate in at least one public engagement event in the City of Arlington during the Term of this Agreement, subject to ownership's availability.
- E. It is the intent of XFL to have players participate in numerous community service opportunities and events throughout the City of Arlington during the Term of this Agreement.
- F. During the Term of this Agreement XFL shall not allow the ad valorem taxes owed to the CITY on any property owned or possessed by XFL in the City of Arlington to become delinquent beyond the date when due, as such date may be extended to allow for protest of valuation or appeal.

- G. During the Term of this Agreement XFL shall refer to its football operations hub and corporate headquarters in all marketing and advertising efforts as being located in the City of Arlington and shall not use any other proper geographic name (i.e., Dallas, Fort Worth, etc.) or informal geographic name (i.e. Metroplex, North Texas, etc.) to market or advertise the location without CITY's prior written permission.
- H. During the Term of this Agreement XFL covenants and certifies that XFL does not and will not knowingly employ an undocumented worker as that term is defined in Section 2264.01(4) of the Texas Government Code. In accordance with Section 2264.052 of the Texas Government Code, if XL is convicted of a violation under 8 U.S.C. Section 1324a(f), XFL shall repay the CITY the full amount of any incentives provided, plus ten percent (10%) interest per annum from the date the incentives were paid. Repayment shall be paid within one hundred and twenty (120) days after the date XFL receives notice of violation of this provision from the CITY, which notice shall not be given by the CITY until after such conviction has become final and non-appealable.
- I. XFL shall provide the CITY with all reasonably requested records and information to support XFL's compliance with all obligations in this Agreement.

# III. PERFORMANCE GRANTS

- A. In exchange for XFL's compliance with the performance conditions and requirements set forth in Article II of this Agreement, the CITY shall make grant payments to XFL in the total amount of Six Hundred and Twenty-Three Thousand, Two Hundred and Forty-Six Dollars and 00/100 (\$623,246.00).
- B. So long as XFL is not in breach of this Agreement, CITY shall make the first grant payment to XFL, in the amount of Three Hundred and Eleven Thousand, Six Hundred and Twenty-Three Dollars and 00/100 (\$311,623.00), on or before April 30, 2023.
- C. So long as XFL is not in breach of this Agreement, CITY shall make the second and final grant payment to XFL, in the amount of Three Hundred and Eleven Thousand, Six Hundred and Twenty-Three Dollars and 00/100 (\$311,623.00), on or before May 31, 2023.

### IV. ASSIGNMENTS

It is intended by the parties hereto that this Agreement may not be assigned by XFL to a successor owner and/or any other party unless such assignment is approved in writing by the Arlington City Council.

#### V. INDEMNIFICATION

A. XFL agrees to defend, indemnify, and hold CITY harmless from any third party claims, damages, verdicts, or judgments arising out of gross negligence or intentional misconduct by XFL or caused by XFL's breach of this Agreement, but not otherwise; however, XFL will not indemnify or hold CITY harmless from any liabilities or responsibilities arising out of CITY's breach of this Agreement or CITY's gross negligence or intentional misconduct.

#### VI. BREACH AND RECAPTURE

- A. <u>Breach</u> Subject to Section B below, a breach of this Agreement by XFL may result in termination or modification of this Agreement and recapture by CITY of the Grant, as further set forth in Subsection C below. XFL's uncured failure to satisfy any of the Performance Conditions and Requirements as specified in Article II shall constitute a breach of this Agreement.
- B. Notice of Breach In the event that CITY makes a reasonable determination that XFL has breached this Agreement, then CITY shall give XFL written notice of such detailing the breach. XFL has 60 days following receipt of said written notice to cure such breach or this Agreement may be terminated by CITY, and recapture of the Grant may be required pursuant to Subsection C below. Notice of breach and opportunity to cure shall be in writing and shall be delivered by personal delivery or certified mail to XFL at its address provided in Article VII of this Agreement.
- C. Recapture During the Term of this Agreement, should XFL fail to timely cure a breach of this Agreement, as provided for in subsection B above, CITY may terminate this Agreement and recapture the Grant. It shall be the duty of CITY to determine whether to require recapture and to demand payment of such. Repayment of the Grant shall become due 60 days following receipt of such demand. The rights of CITY to require recapture and demand repayment of the Grant, and the obligation of XFL to pay such, shall survive termination of this Agreement. The City Attorney has the authority, on behalf of the CITY, to initiate any litigation necessary to pursue payment of the recaptured Grant pursuant to this Agreement.

### VII. NOTICE

Notices required to be given to any party to this Agreement shall be delivered by hand delivery or certified mail, return receipt requested, postage prepaid, addressed to the party at its address as set forth below, and shall be deemed delivered as of the date of delivery or deposited in the United States Mail:

XFL: XFL Properties LLC

1000 Ballpark Way, Arlington, TX 76011

Attn: Rob Gerbe, Chief Financial Officer

WITH A XFL Properties LLC

COPY TO: 600 Steamboat Road, Suite 107

Greenwich, CT 06830

Attn: Business & Legal Affairs

legal@xfl.com

CITY: City of Arlington

Attention: City Manager

P.O. Box 90231

Arlington, Texas 76004-3231

WITH A

COPY TO: City of Arlington

Attention: City Attorney

P.O. Box 90231

Arlington, Texas 76004-3231

Any party may change the address and add additional parties to whom notice will be sent by giving the other parties written notice in the manner provided in this Section.

### VIII. FORCE MAJEURE

Neither CITY nor XFL, nor any successor in interest or assignee shall be considered in breach or default of their respective obligations under this Agreement, and time for performance of obligations hereunder shall be extended, in the event of any delay caused by force majeure, including damage or destruction by fire or other casualty, condemnation, strike, lockout, civil disorder, war, governmental action or inaction for an unreasonable period (unless caused by negligence or omissions by XFL), acts of God, or similar events.

# IX. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which may be executed by any one or more of the parties hereto, but all of which shall constitute one instrument, and shall be binding and effective when all of the parties hereto have executed at least one counterpart.

# X. AUTHORITY

This Agreement was authorized by Resolution No. 23-\_\_\_\_ of the Arlington City Council, authorizing the City Manager or his designee to execute this Agreement on behalf of CITY, and shall constitute a valid and binding agreement between CITY and XFL upon execution.

### XI. SEVERABILITY

In the event any section, subsection, paragraph, sentence, phrase, or word is held invalid, illegal, or unconstitutional, the balance of this Agreement shall stand, shall be enforceable, and shall be read as if the parties intended at all times to delete said invalid section, subsection, paragraph, sentence, phrase, or word.

# XII. ESTOPPEL CERTIFICATE

Any party hereto may request an estoppel certificate from another party hereto, so long as the certificate is requested in connection with a bona fide business purpose. The certificate, which if requested may be addressed to a subsequent purchaser, assignee, or lender of XFL, shall include, but not necessarily be limited to statements that this Agreement is in full force and effect without default (or if default exists the nature of same), the remaining term of this Agreement, the levels and remaining term of the grant payments in effect, and such other matters reasonably requested by the party(ies) to receive the certificates. Provided under no circumstances shall an estoppel certificate amend or modify the terms and conditions of this Agreement.

#### XIII. STANDING

XFL, as a party to this Agreement, shall be deemed a proper and necessary party in any litigation questioning or challenging the validity of this Agreement or any of the underlying ordinances, resolutions, or City Council actions authorizing same, and XFL shall be entitled to intervene in said litigation.

### XIV. APPLICABLE LAW

This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State's District Court of Tarrant County, Texas. This Agreement is performable in Tarrant County, Texas.

#### XV. NO OTHER AGREEMENT

This Agreement embodies all of the agreements of the parties relating to its subject matter as specifically set out herein, supersedes all prior understandings and agreements regarding such subject matter, and may be amended, modified, or supplemented only by an instrument or instruments in writing executed by the parties.

# XVI. EXTENSION OR NEW AGREEMENT

It is the intent of the parties that the XFL will continue to operate in the City of Arlington beyond the Term of this Agreement. Should the XFL agree to keep a similar presence in the City of Arlington beyond December 31, 2023, CITY and XFL agree to negotiate in good faith a potential extension of this Agreement or new agreement to address the XFL's ongoing operation in the City of Arlington.

#### XVII. HEADINGS

The headings of this Agreement are for the convenience of reference only and shall not affect in any manner any of the terms and conditions hereof.

#### XVIII. SURVIVAL OF OBLIGATIONS

All applicable obligations under this Agreement shall survive the expiration or termination of this Agreement to the extent required for their full observance and performance.

IN WITNESS WHEREOF, each party has caused this Agreement to be executed on the date indicated below, effective as of the later of such dates.

### XFL PROPERTIES LLC

BY	Tell the	14
Date	5/9/23	

WITNESS:

CITY OF ARLINGTON, TEXAS

BY TREY YES

City Manager Date

ATTEST:

ALEX BUSKEN, City Secretary

APPROVED AS TO FORM: MOLLY SHORTALL, City Attorney

THE STATE OF TEXAS § COUNTY OF TARRANT §	XFL PROPERTIES LLC	
· ·	<u>Acknowledgment</u>	
BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared or through we will be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for and as the act and deed of XFL PROPERTIES LLC, an entity duly authorized to do business in the State of Texas, and as the <u>CFO</u> for the purposes and consideration therein expressed, and in the capacity therein expressed.		
of, GIVEN UNDER MY HAND , 2023.	AND SEAL OF OFFICE on this the day	
MARJORIE COELLO Notary Public. State of New York No. 02C06106024 Qualified in Nassau County Commission Expires February 23, 20 Hold Commission Expires My Commission Expires	Notary Public in and for The State of Texas New York MAPTALIE WELL Notary's Printed Name	
THE STATE OF TEXAS \$ \$ COUNTY OF TARRANT \$	CITY OF ARLINGTON, TEXAS <u>Acknowledgment</u>	
BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared <b>TREY YELVERTON</b> , known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed same for and as the act and deed of the <b>CITY OF ARLINGTON</b> , <b>TEXAS</b> , a municipal corporation of Tarrant County, Texas, and as the <b>City Manager</b> thereof, and for the purposes and consideration therein expressed, and in the capacity therein expressed.		
<b>TEXAS</b> , a municipal corporation of thereof, and for the purposes and co	Tarrant County, Texas, and as the City Manager	