

COMMITTEE SUBSTITUTE FOR ORDINANCE NO. 201035

Authorizing the City Manager to execute the Principal Prepayment and Interest Forgiveness Agreement providing for the prepayment of principal in the amount of \$300,000.00 for a Promissory Note previously issued by the City to the National Association of Basketball Coaches Foundation, Inc., the forgiveness of remaining principal and interest, a \$50,000.00 annual investment by the City for 5 years for improvements to the T-Mobile Center, and a commitment by the National Association of Basketball Coaches to remain downtown for 5 years.

WHEREAS, Ordinance No. 070466 authorized the City Manager to execute various documents related to a loan and a promissory note therefor from the National Association of Basketball Coaches Foundation (“NABC Foundation”) to help finance cost overruns relating to the construction of the T-Mobile Center in the amount of \$1,170,000.00; and

WHEREAS, the NABC Foundation operates the College Basketball Experience and Hall of Fame (“CBE”) in T-Mobile Center; and

WHEREAS, T-Mobile Center is owned by the City; and

WHEREAS, the NABC Foundation was formed by the National Association of Basketball Coaches which is located in downtown Kansas City at 1111 Main Street; and

WHEREAS, on May 7, 2007, the City and NABC Foundation entered into a Promissory Note in the amount of \$1,170,000.00 (“Promissory Note”) to cover a portion of cost overruns incurred on the construction of T-Mobile Center in the Arena; and

WHEREAS, on November 8, 2012, the City Council, by Committee Substitute for Ordinance No. 120961, authorized a restructuring of the terms of the Promissory Note by the execution of an Allonge to Promissory Note; and

WHEREAS, the NABC Foundation and City entered in an Allonge to Promissory Note (“Original Allonge”) providing for deferment of all interest due until the end of the loan and extending the term of the note for seven years until December 31, 2024; and

WHEREAS, on November 14, 2016, the City Council, by Committee Substitute for Ordinance No. 151006 authorized the City Manager to execute an Amended and Restated Allonge to Promissory Note (the “Amended Allonge”) to further restructure the terms of payment of the Promissory Note as amended by the Original Allonge, allowing for a deferred payment, an extension of time for interest to be paid, and a further extension of the term of the note until December 31, 2038; and

WHEREAS, the NABC Foundation now desires to prepay and the City desires to accept the present value of the principal of the Promissory Note, as amended by the Amended Allonge; and

WHEREAS, executing the Principal Prepayment and Interest Forgiveness Agreement will enable the NABC Foundation to repay the Promissory Note: and

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WHEREAS, the City desires to retain the headquarters of the National Association of Basketball Coaches in downtown Kansas City and make capital improvements to the CBE; and

WHEREAS, such arrangement will mutually benefit the City, the NABC Foundation, the National Association of Basketball Coaches, and T-Mobile Center; NOW, THEREFORE,

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That the City Manager is hereby authorized to execute the Principal Prepayment and Interest Forgiveness Agreement between the City, NABC Foundation, and the National Association of Basketball Coaches to:

1. Allow the NABC Foundation to make a prepayment of \$300,000.00, in full satisfaction of the Promissory Note, as amended by the Amended Allonge; and
2. Forgive the remaining principal due the City; and
3. Forgive the interest payments due the City, contingent on the National Association of Basketball Coaches keeping its Headquarters in downtown Kansas City for five years; and
4. Commit the City to make a capital investment of \$50,000.00 annually for five years beginning in fiscal year 2022-23 for capital repairs and improvements to the T-Mobile Center.

Section 2. That the Principal Prepayment and Interest Forgiveness Agreement is approved in a form substantially similar to that attached hereto, with the addition of provisions:

1. Requiring the NABC Foundation and the National Association of Basketball Coaches to commit to not violating antidiscrimination provisions of Chapter 38 of the City's Code of Ordinances; and
2. Encouraging the NABC Foundation and the National Association of Basketball Coaches to hold youth-oriented events and recreation programs.



Authenticated as Passed

  
Quinton Lucas, Mayor

  
Marilyn Sanders, City Clerk

DEC 17 2020

Date Passed

Approved as to form and legality:

  
Katherine Chandler  
Assistant City Attorney