



17-830

**TITLE:** Consider/Discuss/Act on an Amended and Restated Lease Agreement with DSE Hockey Centers, L.P. for an Expansion of the McKinney StarCenter

**COUNCIL GOAL:** Direction for Strategic and Economic Growth  
Enhance the Quality of Life in McKinney

**MEETING DATE:** August 15, 2017

**DEPARTMENT:** City Manager's Office

**CONTACT:** Barry Shelton, Assistant City Manager

**RECOMMENDED CITY COUNCIL ACTION:**

- Approval of the proposed lease agreement.

**ITEM SUMMARY:**

- This item is for the approval of an amended lease agreement between the City of McKinney and the Dallas Stars.
- The McKinney StarCenter is owned by the City of McKinney and leased to the Dallas Stars.
- The City of McKinney and the Dallas Stars have negotiated terms of an amended lease agreement in conjunction with an expansion of the facility.
- The current facility is approximately 85,000 square feet and includes two full-size ice rinks.
- The proposed project would add 46,000 square feet of space and would include one sheet of ice with approximately 1,800 seats to facilitate hosting of youth level hockey games, tournaments and other events.

**BACKGROUND INFORMATION:**

- The current lease became effective October 1, 2009; the term is 20 years with two 5-year renewals.
- The addition to the facility will also include an expanded back of house / locker room area and approximately 455 new parking spaces.
- Programming offered includes hockey and figure skating academies.
- Team training and league games are held at the facility on a 7 day/week

schedule.

- The strong recreational hockey program offered at the McKinney StarCenter, along with the McKinney North Stars travel organization, has resulted in the McKinney StarCenter hosting more kids playing hockey than any other rink in Texas.
- The McKinney StarCenter is home to the MISD high school hockey program, winner of the Texas High School State Championship in 2013-14 and 2015-16.
- Additionally, public skating is offered periodically throughout the year.
- A promotional event, featuring a Dallas Stars player or coach, or team practice is scheduled annually.
- Dallas Stars promote the City of McKinney through game programs and advertising/announcements.

#### **FINANCIAL SUMMARY:**

- The proposed expansion project is estimated to cost \$8,500,000.
- The McKinney Community Development Corporation has approved a grant of \$3,500,000 towards this project.
- The City of McKinney would be responsible for the remaining \$5,000,000 of the construction cost and the \$1,713,215 cost to acquire the property for the expansion.
- Upon approval of the lease agreement, the City will move forward with the selection of a contractor for the design and construction of the expansion project.
- The terms of the lease agreement increase the monthly rent to cover the cost of the expansion project. Lease payments will increase from \$49,000 per month to \$60,000 per month for the first five years, increasing to \$65,000 per month for years 6 - 20.
- The tenant is responsible for the cost of operations and maintenance.

#### **BOARD OR COMMISSION RECOMMENDATION:**

- N/A

#### **SUPPORTING MATERIALS:**

[StarCenter Amended Lease Presentation](#)