

Dallas Morning News, The (TX)

April 28, 1999

Rangers agree to pay city \$22.2 million Settlement closes condemnation cases

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The Texas Rangers will repay the city \$22.2 million to settle two condemnation cases, under an agreement reached Tuesday with the City Council.

Officials said the out-of-court settlement is expected to preserve the relationship between the city and the baseball club, and help avoid a costly legal fight.

As part of the compromise, the Rangers agreed to continue playing in Arlington until 2034, 10 years longer than the original agreement. The new arrangement is included in the master lease with the team, officials said.

"It's a very healthy settlement and we're very happy with the way it turned out," council member Barbara Nash said.

Texas Rangers President Tom Schieffer was out of town Tuesday and could not be reached for comment. But in previous interviews, Mr. Schieffer said the team was willing to forgo its opinion and pay the settlement to maintain its ties with the city.

Corsicana attorney Glenn Sodd, who represented two families in the condemnation cases, could not be reached for comment Tuesday night. He has said the Rangers did what they were legally responsible to do with the agreement.

The \$22.2 million repayment from the Rangers represents all of the money spent by the city in excess of the \$135 million the city promised it would spend in 1991 when voters approved a half-cent sales tax to build The Ballpark in Arlington.

The baseball team is repaying the \$11.2 million the city spent settling two legal battles with property owners who lost their land through the city's power of condemnation.

The team is repaying the money over 26 years, at an interest rate of 5.09 percent, totaling \$22.2 million. It will be used to repay the debt issued to pay for the \$191 million ballpark.

Until January, the Rangers and the city remained at odds over which entity should pay the settlements to landowners in the controversial condemnation cases.

Last year, the sports authority agreed to pay the Fanning family \$5.1 million to settle a dispute over 10 acres that had been condemned.

In 1996, a Tarrant County jury awarded \$7.3 million to heirs of the television magnate Curtis Mathes for 10 acres of land used for The Ballpark.

In the Fanning case, the city spent \$4.7 million outside of the \$135 million cap. In 1996, an extra \$6.4 million was spent, totaling \$11.1 million. The Rangers agreed in January to pay the city \$11.2 million, plus interest.

The city has claimed the Rangers were required to repay the money spent on land settlements. The baseball team previously insisted it had paid for the settlements since its annual lease payments of \$3.5 million were used to pay landowners.

Payments of \$500,000 will be made to the Arlington Sports Facilities Development Authority over the next five years. After that, the size of the payments will grow until reaching a maximum of \$1 million during the last 10 years of the 26-year agreement.

The \$22.2 million settlement will be used to retire the outstanding bonds paying for The Ballpark. The facility is expected to be paid for in 2001 or 2002.

At that time, the half-cent sales tax increase will disappear. When the bonds are repaid, the city will be able to spend the payments - as well as its annual lease - on other projects.

"The original master lease agreement is still in place and it says once they exercise their option to purchase they are obligated to stay an additional 10 years," said Assistant City Attorney Jeanene McIntyre.

Resident Lon Upchurch told council members Tuesday night that the council violated its agreement with voters.

He said the city exceeded the \$135 million cap promised when voters approved a half-cent sales tax increase to build The Ballpark.

When The Ballpark debt is paid off, the sales tax is expected to return to the previous rate. However, Mr. Upchurch said he has contacted the Texas Attorney General's Office and the Texas Comptroller's Office about his concerns.

Mr. Upchurch said he believes the city is going to make residents pay sales tax for six extra months than the council initially promised.

"They used it to pay this lawsuit," Mr. Upchurch said. "What they are doing in effect is making a low interest loan to the Rangers."

Mayor Elzie Odom told Mr. Upchurch that the matter was reviewed by city staff before the council approved the settlement. He offered to have city staff members brief him on the matter.

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