



INTEROFFICE MEMO

Gary Grief, Executive Director

Alfonso D. Royal III, Charitable Bingo Operations Director

To: J. Winston Krause, Chairman
Carmen Arrieta-Candelaria, Commissioner
Doug Lowe, Commissioner
Peggy A. Heeg, Commissioner
Robert Rivera, Commissioner

From: Mike Fernandez, Administration Division Director *MRF*

Date: April 6, 2017

Re: Report, possible discussion and/or action on agency prime contracts, including the contract for promotional and sponsorship agreement with the ARK Group of Irving, Inc. for the Irving Music Factory.

The following is a briefing item to advise the Commission of staff's intent to enter into a proprietary promotional and sponsorship agreement with the ARK Group of Irving, Inc. for the Irving Music Factory.

Service or Goods Provided	Promotional and sponsorship agreement with the ARK Group of Irving, Inc. for the Irving Music Factory
Vendor	ARK Group of Irving, Inc.
Term	9/1/2017 – 8/31/2027
Estimated Annual Cost	\$518,000 per year for years 1 to 3, with a 1.82% annual escalator for years 4-10 for a total of \$5,453,803.22, plus the cost of signage production and installation
Proposed Action	Execution
Description	The Texas Lottery intends to enter into a proprietary Promotional and Sponsorship Agreement with ARK Group of Irving, Inc. a Texas corporation that owns and/or has rights to the Music Factory Facility at Las Colinas in Irving, Texas (a combination of an indoor/outdoor music pavilion, an outdoor event plaza, and an entertainment district serving the Dallas-Fort Worth metroplex), for retail space for Texas Lottery sales kiosks and promotional events at the Facility, together with marketing, advertising and promotional support for Texas Lottery games (including the rights to place Texas Lottery advertisements in the plaza, the rights to use the Facility trademarks, and promotions through Live Nation).
Conflict of Interest	Commissioners have independently confirmed they do not have a financial interest in ARK Group of Irving, Inc.