

City Council Report915 I Street, 1st Floorwww.CityofSacramento.org**Meeting Date:** 6/25/2013**Report Type:** Staff/Discussion**Report ID:** 2013-00545**Title:** ESC Project Assistance Services**Location:** Downtown Plaza, District 4

Issue: Specialized consultant services are needed to represent the City's interests in the preparation of definitive agreements with Sacramento Basketball Holdings LLC and to prepare for the potential financing and construction of a new arena located in Downtown Plaza. Administrative actions are required to establish a project and operating budget.

Recommendation: Pass a Resolution 1) authorizing the City Manager or his designee to execute the first amendment to the Master Owner Participation Agreement (MOPA); 2) establishing a multi-year operating project (MYOP) for the Downtown ESC Project (I0200500); 3) establishing an expenditure budget in the amount of \$6.5 million in the Downtown ESC Project (I0200500) MYOP: \$1,500,000 from the Parking Fund (Fund 6004) and \$5,000,000 from the MOPA Funds (Fund 2030); 4) establishing a capital improvement project (CIP) for the Downtown ESC Project (B0200100); 5) authorizing the City Manager or his designee to move appropriations and expenditures between the MYOP (I0200500) and CIP (B0200100) when appropriate based on City budget and accounting policies; 6) authorizing the City Manager or his designee execute professional services agreements for technical and financial advisory services for assistance with the Downtown ESC Project for a total amount not to exceed \$250,000; 7) authorizing the City Attorney or his designee to execute legal services agreements for assistance with the Downtown ESC project for a total amount not to exceed \$550,000; 8) authorizing the City Treasurer or his designee to execute professional services agreements for assistance with the Downtown ESC Project for a total amount not to exceed \$505,000; 9) authorizing the City Manager to execute a professional services agreement with Weston Sports and Entertainment for sports facility design and construction advisory services for the Downtown ESC Project for an amount not to exceed \$250,000; and 10) authorizing the City Manager or his designee to execute a professional services agreement with Barrett Sports Group, LLC, for negotiation, advisory, and other services for the Downtown ESC project, in an amount not to exceed \$200,000.

Contact: Desmond Parrington, ESC Project Manager, (916) 808-5704, Office of the City Manager

Presenter: John Dangberg, Assistant City Manager

Department: City Manager

Division: Executive Office

Dept ID: 02001011

Attachments:

- 1-Description/Analysis
- 2-Background
- 3-Attachment (Weston Proposal)
- 4-Resolution
- 5-Exhibit A
- 6-Exhibit B (MOPA Agreement)

City Attorney Review

Approved as to Form
Matthew Ruyak
6/20/2013 9:57:01 AM

City Treasurer Review

Prior Council Financial Policy Approval or
Outside City Treasurer Scope
City Treasurer

Approvals/Acknowledgements

Department Director or Designee: Mark Prestwich - 6/19/2013 3:12:17 PM

Description/Analysis

Issue Detail: With the March 26, 2013 approval by City Council of the preliminary term sheet for the potential development of an ESC in Downtown Plaza and the subsequent acquisition of the Sacramento Kings by Sacramento Basketball Holdings LLC (SBH), the City requires technical, financial, and legal advisory services to complete due diligence and prepare definitive agreements for the financing and development of the ESC. These definitive agreements and supportive due diligence findings will be presented for Council consideration following the completion of environmental review next year. Certain administrative and budgetary actions are required to establish a City Capital Improvement Project (CIP) and operating budget for these activities.

The Downtown ESC Project total development cost is estimated at \$447 million. The City contribution towards design and development is \$258 million. The March 26, 2013 Council report identified several sources that comprise the City contribution. Those sources included \$5 million from the Master Owner Participation Agreement (MOPA) funds derived from the sale of the Sheraton Hotel and \$1.5 million from the City Parking CIP fund. This report recommends actions to place those funds in project-related accounts and authorizes expenditure up to \$1.755 million for predevelopment activities. It is anticipated that these allocations and expenditures will be part of the City's \$258 million contribution and are not in addition to that amount.

The schedule for the completion of the ESC by October 2016 necessitates the immediate initiation of due diligence and preparation of the definitive agreements. It is recommended that the Council delegate to the City Manager, City Treasurer, and City Attorney the authority to enter into contracts for professional services in an amount not to exceed \$1,755,000. These professional services include an ESC facility and finance advisor, sports facility design and construction advisor, parking consultant, ESC and related development revenue analysis, transaction counsel and other legal services, real estate services, and communications and outreach assistance. These services are described in detail in Attachment 2 to this report.

Based on a thorough review of the preliminary term sheet as well as discussion with City department directors, staff has determined that the consultant services identified in this report will be necessary not only for preparation of the definitive agreements but also for the duration of the Downtown ESC Project if Council directs staff to move forward with the financing and development of the ESC next year. With approval of this request, staff believes that there will be sufficient staff and consultant services in place to handle the Downtown ESC Project. However, if as a result of an

improving economy or other factors such as staff workload with other potential projects (e.g., Delta Shores, Greenbriar, Railyards, etc.), there are insufficient resources in place to deal with the Downtown ESC Project or other key projects, staff will return to Council as soon as possible with an update of the resources needed so as not to delay critical projects.

Policy Considerations: The development of the ESC will transform Downtown Plaza into a center of entertainment and activity. Completion of the ESC will fulfill several critical policy objectives. Specifically, the ESC will serve as a catalyst for economic development in downtown and throughout our region. In addition, the project will create thousands of construction as well as permanent jobs. The ESC is an important part of realizing the City's General Plan vision of enhancing the livability of Sacramento.

Economic Impact: None at this time. The economic impacts of the Downtown ESC Project will be evaluated when the definitive agreements for the development and financing of the project are brought forward to City Council for consideration in 2014.

Environmental Considerations: This report identifies consultant services needed for technical, financial and legal services. The actions in this report do not have any potential for significant effect on the environment and are exempt under CEQA Guidelines section 15061(b)(3). The actual development and financing of the ESC is subject to review pursuant to the California Environmental Quality Act (CEQA).

Sustainability: None at this time. If the Council approves the financing plan and definitive agreements for the project, the ESC is anticipated to be designed as a LEED Silver project in accordance with the General Plan policies for City-owned facilities.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Development of the ESC is a complicated endeavor and prior to the planning, design, financing and development of the ESC, the City should ensure that it has the necessary technical, financial, and legal information for preparation of the definitive agreements that need Council approval prior to development of the ESC.

Financial Considerations: The development of the ESC is a \$447 million project. Of that amount \$258 million will come from the City of Sacramento from a variety of sources, including parking monetization (\$212.5 million), property transfers (\$38 million), the City's Parking Fund (\$1.5 million), construction

sales tax receipts (\$1 million), and MOPA funds (\$5 million) that came from the sale of the Sheraton Grand Hotel.

Staff is seeking Council approval for the use of a total of \$1,500,000 from the City's Parking Fund (Fund 6004) and \$255,000 from the MOPA funds (Fund 2030) for the following consultants and advisors necessary for this process.

ESC Facility and Finance Advisor	\$200,000
Sports Facility Design/Construction Advisor	\$250,000
Parking Consultant	\$425,000
ESC Revenue Analysis	\$ 80,000
Transaction Attorneys and Legal Counsel	\$550,000
Real Estate Services	\$200,000
<u>Communications/Outreach Assistance</u>	<u>\$ 50,000</u>
Total	\$1,755,000

If the Council approves the ESC definitive agreements next year, it is anticipated that these costs will be considered project costs and will be credited toward the City's \$258 million contribution. However, if for whatever reason the project does not move forward then these funds would not be credited or reimbursed.

Though \$5 million of MOPA funds are expected to be part of the City's overall contribution, only \$255,000 is expected to be used for consultant services. The remainder will be used for construction funding if Council approves the financing and development of the ESC next year. These funds would only be used once Council has approved the definitive agreements for the financing and construction of the ESC.

Emerging Small Business Development (ESBD): None at this time.

Background: Detailed Information on ESC Project Services

Given the number of agreements that require City approval, as well as the complexity of the planning, financing, and development of the ESC, City staff will need consultant services in several areas.

Entertainment and Sports Facility and Finance Advisor: An industry expert in the operation of sports franchises, entertainment and sports facilities, league dynamics, facility finance, and municipal debt, the advisor would assist the City in due diligence, finance structure development, and negotiations for the crafting of the definitive agreements. Barrett Sports Group (BSG) has served in this capacity in the past and is currently under contract with the City. The City Manager recommends executing a new contract with BSG for advisory services through October 2016 for an amount not to exceed \$200,000.

Entertainment and Sports Center Legal and Transaction Counsel: Legal representation with expertise in the field of entertainment and sports facilities transaction agreement structure and documentation is required along with representation in other areas including real estate transactions and parking financing, among others. The attorneys would participate in key negotiations and assist the City Attorney in the review of terms and drafting of legal agreements for predevelopment, development, lease and operating agreements, etc. These services are necessary for the preparation of definitive agreements between the City and the Sacramento Basketball Holdings LLC. The total amount of these contracts is not to exceed \$550,000.

Sports Facility Design and Construction Advisor: John Hilkene of Weston Sports and Entertainment would act as the City's technical consultant and project monitor during the development of the definitive agreements as well as planning, design and construction of the ESC. He has worked with the City before in 2005-2006 during the prior downtown arena effort. Weston was one of four firms interviewed by both City staff and the ownership group, Sacramento Basketball Holdings LLC, in early June 2013. John Hilkene and his team at Weston Sports and Entertainment have extensive experience serving as public and private sector advisors and owner's representatives for sports facility projects across the country. Weston Sports and Entertainment's proposal, including John Hilkene's experience, is included in Attachment 3.

Parking Analysis: In order to prepare for the possible financing of the ESC using the City's parking assets, City staff needs to revisit the original parking analysis prepared by Walker Parking necessary for the parking financing model. The City Treasurer is seeking Council authorization to enter into a contract with Walker Parking for an amount not to exceed \$425,000 to conduct a comprehensive parking analysis that includes a review of

the condition of City off-street parking garages as well as a revised parking revenue analysis.

ESC Revenue Analysis: Staff needs to bring in financial consultants to conduct an analysis of current as well as potential future revenues from the Downtown ESC Project including property tax, sales tax, utility taxes, and transient occupancy tax (TOT) revenues as part of the analysis for the City's contribution for ESC financing.

Real Estate Transaction Services: The City has identified several pieces of property that would be transferred to Sacramento Basketball Holdings LLC as part of the City's contribution toward the ESC development. City staff requires professional services assistance with title reports, escrow, technical consultant services, and research to prepare for these property transfers if Council later authorizes this action as part of the City's contribution.

Communications and Outreach Assistance: Given the extent of the outreach needed with the general public, stakeholders, the media and other interested parties, the City requires consultant assistance to develop a communications plan as well as specific assistance with planning, outreach, social media, multimedia, and publications regarding the Downtown ESC Project.

There will be other expenses associated with parking monetization if Council directs staff to proceed with the ESC financing. These services and expenditures, which include bond counsel, disclosure counsel, underwriting counsel fees, and banking and investment fees, would be paid for out of the proceeds of sale of the parking revenue bonds.



Attachment 3 Consultant Services Proposal from Weston Sports and Entertainment

PROPOSAL FOR CONSULTING SERVICES June 17, 2013

Mr. Desmond Parrington
Senior Project Manager
City of Sacramento
915 I Street, Fifth Floor
Sacramento, CA

Dear Desmond:

It was a pleasure to meet with you, John and Matt recently to discuss the City's need for some type of representation regarding the design and construction issues for the new ESC in downtown Sacramento.

Based on our discussion, I am convinced that my past experience on multiple arena projects would be valuable in providing the technical knowledge and arena project experience that will assist in completing a successful project from the City perspective.

Based on our prior discussions, Weston Sports and Entertainment is pleased to present this revised proposal to the City of Sacramento for consulting services on the new ESC

It is our understanding that the scope of services will generally include the following:

- Review and comment on project definitive legal documents, as requested by the City.
- Provide input to the City negotiating team on design and constructions issues as the definitive legal documents are developed.
- Assist the City in analysis of EIR impacts
- Review and comment on the Project Budget and Project Schedule.
- Review and comment on project design as it is presented to City.
- Provide input to City regarding City's approval rights.
- Monitor the development of the project as directed by the City.

Further, we understand that the exact needs and therefore definition of the scope of services is just being developed and will evolve as the relationship between the Team and the City develops.



PROPOSAL FOR CONSULTING SERVICES

June 17, 2013

The schedule is anticipated to start construction during the summer of 2014 and be completed by the start of the 2016.

SCOPE OF SERVICES

We propose that the scope of services could include those services as outlined in the attached Exhibit A. We understand that the actual scope may not include all of those services detailed in Exhibit A. We are flexible in providing these services and our goal is to provide the City with what it needs, and nothing more.

STAFFING

During the project we would propose to staff the project with the following personnel:

1. John Hilkene- Principal-in-Charge and Senior Project Manager-included
2. City Representative Project Manager- on site, if requested by City
3. Mark Horton- available on an “as-needed” basis to augment John Hilkene’ effort.
4. John Wasson- available on an “as-needed” basis to augment John Hilkene’ effort.

We are including a summary of past experience for John Hilkene, Mark Horton and John Wasson for your information. If you need this info in another format, please let me know.

Any additional staffing requirements would be by mutual agreement.

FEE PROPOSAL

We propose a Fee Structure as follows:

During the Initial Programming, Documentation and Planning Phase: Fees to be billed on an Hourly Rate. The rate for John Hilkene, Mark Horton, and John Wasson would be \$250.00 per hour.

During the Design Development and Contracting Phase: Fees could be billed at an hourly rate as above or we could agree upon a monthly flat fee at the City’s option.

During this phase, based on our past projects, we believe the range of monthly fees might be \$15,000 to \$35,000 per month. The City must agree in advance to any monthly retainer.



SPORTS AND
ENTERTAINMENT

PROPOSAL FOR CONSULTING SERVICES
June 17, 2013

During the Construction Phase: Fees could be billed at an hourly rate as above or we could agree upon a monthly flat fee at the City's option.

During Construction, we believe the monthly retainer could range from \$15,000 to \$50,000 depending on the amount of daily oversight the City desires.

In addition to the Base Fees, we propose to bill any out-of-pocket reimbursables for travel, meals, out-of-town living expenses, etc. at direct cost.

Hourly rates would escalate by 3% for each calendar year.

TERM

The term of this agreement would commence on June 15, 2013 and continue through the completion of the project in Sacramento.

We appreciate the opportunity to present this proposal for your consideration. As stated before, we believe we can provide you with a key component in your project management team to make this a dynamic and successful project for then City.

We look forward to hearing from you.

Very Truly Yours

Agreed to this _____ day of June 2013

Weston Sports and Entertainment
John B. Hilken

By: _____
(City)

Partner

By: _____
(Officer)

Title; _____



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CITY of SACRAMENTO
SCOPE OF SERVICES-June 17, 2013

EXHIBIT A

The Consulting Services shall be provided in connection with the new entertainment and sports Center (“ESC”) The “Consulting Services” shall be as follows: Consultant shall assist the City, at the City’s direction, in connection with the following:

Overall Project Services

- Review and comment on selection of design, engineering and construction professionals, if requested.
- Provide input, review and comment on definitive legal documents, as requested
- Review proposed scope of work for the Project as envisioned by Team ownership.
- Review and comment on overall Project Budget for the project. Monitor the City’s capital contribution.
- Review and comment on overall Project Schedule for the project.
- At the City’s request, observe/participate in evaluation and selection of the general contractor or construction management team within the context of the City’s role in the process
- Provide evaluation of initial cost models and project schedules proposed by contractor team.
- Assist in communicating with the Team and with its design, engineering and construction professionals during the design and construction of the project
- Assist the City in making decisions relating to the development of the program for the project
- Review value engineering proposals, if requested, and provide analysis and comment
- Represent the City, if requested during Design, Construction and Commissioning of the Project. Attend meetings, as requested, with the design professionals during the



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SCOPE OF SERVICES-June 17, 2013

development of conceptual and preliminary design to assist in evaluating selection of materials, building systems and equipment

- Assist with development and monitoring of an MWBE program if required.
- Review recommendations made by design, engineering or construction professionals on construction feasibility, availability of materials and labor, time requirements for installation and construction, and factors related to cost including costs of alternative design or materials
- Assist City in reviewing the selection of a commissioning agent for the checkout of utilities, operations systems and equipment for readiness and assist in their initial start-up and testing
- Assist City in monitoring budgets, schedules, and expenditures at all stages of design and construction, as submitted by the Team and its design and construction professionals
- Provide documents and information to the City in support of presentations to the City Manager, Mayor and City Council.
- Advise the City on insurance, payment and performance bonding and safety issues.
- Assist City in reviewing development proposal for adjacent property for conflicts and/or coordination with Arena development.
- Comment on operational impacts and the completeness and accuracy of the drawings
- Provide oversight in the final inspections and code, fire and occupancy certification; commissioning and start-up; receipt of deliverables, and project close-out.

Programming Planning and Development for the Project.

- Review the Facility Program to include scope and concept requirements.
- Provide amenity comparisons to other selected NBA facilities as directed



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SCOPE OF SERVICES-June 17, 2013

- Provide input on current technology and design features including video boards, scoreboards, scoreboard control rooms, sound systems, seating and retractable systems, wireless technology, etc.
- Monitor and comment on overall project budget and construction budget as design develops.
- Monitor and comment on overall project schedule as design develops.
- Provide cost information for specific design elements
- Monitor design schedules and design progress.
- Perform focused design review as requested by City
- Participate in value engineering reviews and assist City in value engineering decisions.
- Participate in Owner/Architect/Contractor coordination meetings, if requested

Construction Phase

- Review/provide comments on detailed construction plans and specifications.
- Review/provide comments on construction bid packages.
- Assist in evaluation of value engineering proposals from subcontractors.
- Review project payment applications.
- Review and comment on change order requests.
- Review and comment on resolution of field issues
- Monitor quality assurance program
- Inspect Site as requested by City
- Review Contractors Plan for Project Commissioning.



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SCOPE OF SERVICES-June 17, 2013

- Advise City regarding sufficiency of Commissioning Plans.
- Receive/Review Record Drawings
- Monitor Punch List provided by CM/Architect
- Monitor completion/correction of Punch List Items
- Review requests for Substantial/Final Completion
- Comment on Substantial/Final completion certificates
- Document receipt of appropriate warranties

Weston Sports & Entertainment




We Build Excitement

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Section I: Project Experience
Section II: Team Weston



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We Build Excitement

Our Experience



SPORTS AND
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Owner's Representative Project Management Program Management



RELEVANT STAFF EXPERIENCE

YEAR	PROJECT NAME	LOCATION	VALUE
2011	Region 2000 Marketing Study	Lynchburg, VA	
2010	City of Richmond Feasibility Study	Richmond, VA	
2009	KFC Yum! Center <i>(Louisville Downtown Arena)</i>	Louisville, KY	\$ 397,000,000
2009	Papa John's Cardinal Stadium Expansion	Louisville, KY	\$ 72,000,000
2008	California Motorcross Park	Sacramento, CA	\$ 120,000,000
2007	Sprint Center	Kansas City, MO	\$ 276,000,000
2005	Time Warner Cable Arena <i>(New Charlotte Uptown Arena)</i>	Charlotte, NC	\$ 250,000,000
2005	Hiram College Athletic Center	Hiram, OH	\$ 15,000,000
2004	FedExForum	Memphis, TN	\$ 250,000,000
2002	AT&T Center <i>(SBC Center)</i>	San Antonio, TX	\$ 196,000,000
2000	Paul Brown Stadium	Cincinnati, OH	\$ 285,000,000
1999	Cleveland Browns Stadium	Cleveland, OH	\$ 350,000,000
1997	Verizon Center <i>(MCI Center)</i>	Washington, DC	\$ 260,000,000
1994	Quicken Loans Arena <i>(Gund Arena)</i>	Cleveland, OH	\$ 180,000,000
1994	Progressive Field <i>(Jacobs Field)</i>	Cleveland, OH	\$ 200,000,000



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KFC Yum Center (Louisville Downtown Arena)

Location: Louisville, KY
Budget: \$397,000,000
Completion: Fall 2010



Client: Louisville Arena Authority
Contact: Mr. W. James Host
Kentucky Fair Board
Louisville, KY
(502) 367-1500

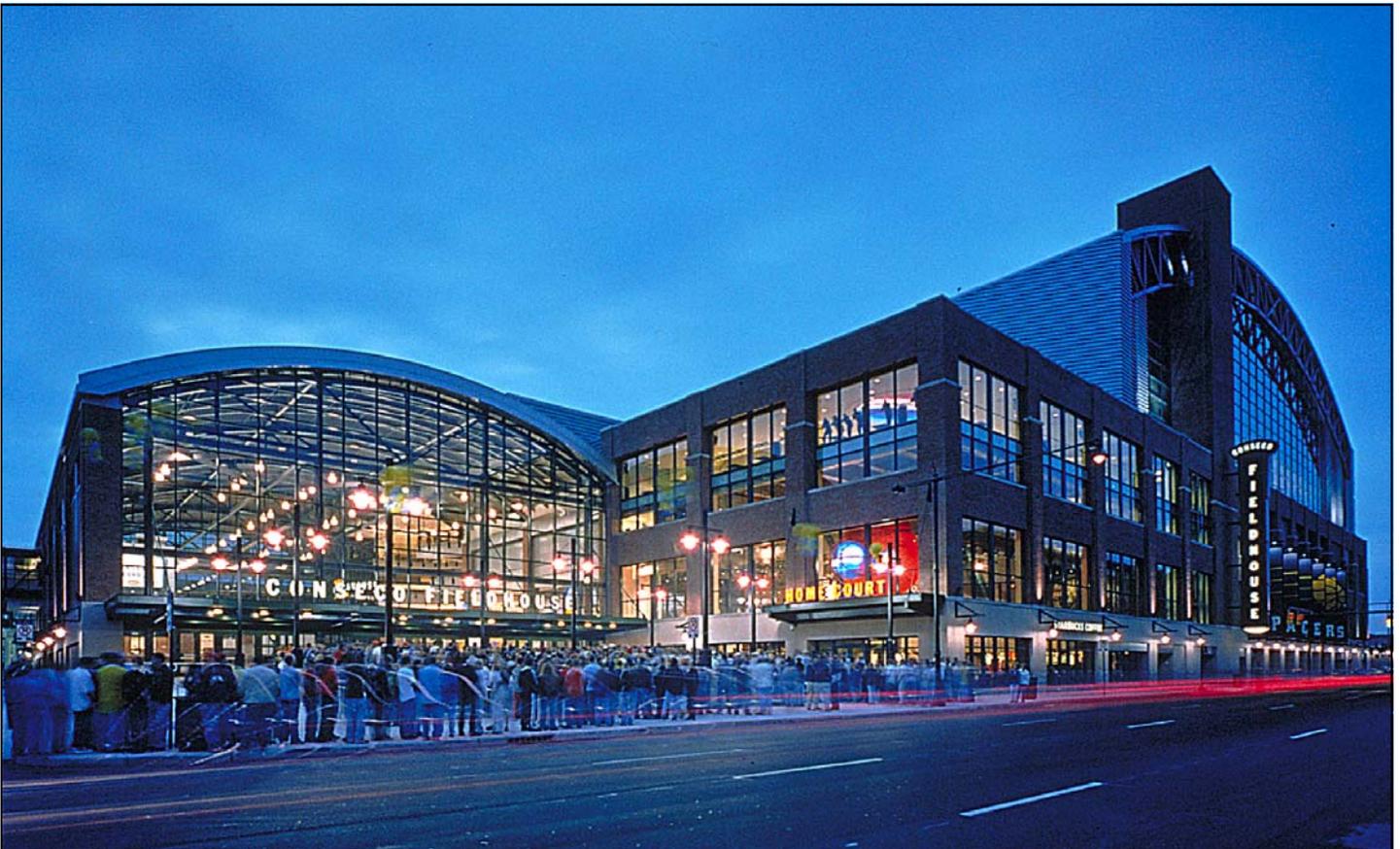
Services: Principal-in-Charge

The Louisville Downtown Arena is being constructed by the Louisville Arena Authority and will be the home for the University of Louisville Men's and Women's Basketball Teams. The arena is located on the Ohio River near the Kentucky International Convention Center as well as many office buildings, hotels and restaurants. In addition to University of Louisville basketball, the arena will also host many NCAA collegiate sports events and championships, hockey, concerts and other family shows.

John B. Hilken, as Managing Partner of PC Sports was the Principal-in-Charge of the project for the Owner.

Bankers Life Fieldhouse (Conseco Fieldhouse)

Location: Indianapolis, IN
Budget: \$212,000,000
Completion: August 1999



Client: Pacers Basketball Corporation

Contact: Rick Fuson
Senior Vice President
Indiana Pacers
One Conseco Court
Indianapolis, IN 46204
(317) 917-2701

Services: Design & Construction Management
Consultant

Bankers Life Fieldhouse (formerly Conseco Fieldhouse) has become the arena that all others are judged against. Indiana is about basketball and Bankers Life Fieldhouse was designed to create the environment that evokes the sights, sounds and feel of an old town fieldhouse like the Hinkle Fieldhouse featured in the film *Hoosiers*. This was accomplished through the use of exposed girders, arched windows and wooden signs that pay homage to Indiana's basketball heritage. Fans know they are in basketball heaven from the moment they walk inside this fully themed arena.

Even though the arena is designed to evoke memories of the state's great high school and collegiate fieldhouses, it still delivers all the amenities of a modern NBA arena. Bankers Life Fieldhouse can be configured for other events as well, such as ice hockey, concerts and traveling shows.

John Hilken was responsible for all aspects of design and construction for Bankers Life Fieldhouse.

Sprint Center

Location: Kansas City, MO
Budget: \$276,000,000
Completion: Fall 2007



Client: Kansas City, MO

Contact: AEG Kansas City - Sprint Center
1407 Grand Boulevard
Kansas City, MO 64106

Services: Program Manager with Burns & McDonnell

Completed in the Fall of 2007, Sprint Center is the centerpiece of a \$3 billion public-private mixed-use urban development. This multi-use sports facility anchors a district in downtown Kansas City which also includes upscale retail, office, and residential uses. Heralded nationwide as a model for urban redevelopment, the Sprint Center offers year-round entertainment.

With a capacity of approximately 18,000 seats, the Sprint Center is Kansas City's home for such events as hockey, basketball, indoor soccer, arena football, concerts, family and dirt shows.

New Charlotte Uptown Arena

Location: Charlotte, NC
Budget: \$250,000,000
Completion: Fall 2005



Client: NBA and Charlotte Bobcats

Contact: Barry Silberman
RLJ Basketball
129 W. Trade, Suite 700
Charlotte, NC 28202
(704)424-4855

Services: Consultant to NBA and Owner's
Representative to Bobcats

The New Charlotte Uptown Arena is being constructed by the City of Charlotte and will be the home for the NBA's Charlotte Bobcats and the WNBA's Charlotte Sting. The arena is located in a downtown setting near a variety of office buildings, restaurants and stores. In addition to professional basketball, the arena will also hold college basketball games and tournaments, hockey, concerts and other family shows.

PC Sports served two separate roles on this project. First, PC Sports was hired by the NBA to represent their interests in the construction of the arena after Charlotte was selected to receive an expansion franchise, but before an owner had been selected. The second role was a continuation of the first where the Charlotte Bobcats hired PC Sports to be their Owner's Representative.

FedExForum

Location: Memphis, TN
Budget: \$250,000,000
Completion: August 2004



Client: New Memphis Arena Public Building Authority, Memphis Grizzlies, City of Memphis, and Shelby County

Contact: Stan Meadows
General Counsel for Memphis Grizzlies
McDermott Will & Emery
227 West Monroe Street
Chicago, IL 60606
(312)984-7570

Robert Spence
City Attorney — City of Memphis
Spence Law Firm
119 S. Main Street
Memphis, TN 38103
(901)312-9160

Services: Project Management

FedExForum is the new home of the Memphis Grizzlies NBA team. The arena seats 18,190 people for basketball and is located ½ block from the historic Beale Street entertainment district. The area is tied to this entertainment district with an outdoor entertainment and party area along with a 35,000 s.f. exterior plaza. The arena has a very flexible seating bowl and ice floor allowing the arena to house ice events, concerts, rodeos, family shows, etc. FedExForum is designed to provide outstanding guest comfort, excellent sightlines and acoustics, and seating flexibility for a wide range of potential events.

For FedExForum, PC Sports has been providing project management services to an ownership group that includes the City of Memphis, Memphis Grizzlies, Shelby County and the New Memphis Arena Public Building Authority. The project includes the new arena with an adjacent 1,500 car parking garage and a new administrative office building for the Memphis Grizzlies.

AT & T Center (SBC Center)

Location: San Antonio, TX
Budget: \$196,000,000
Completion: September 2002



Client: San Antonio Spurs

Contact: Rick Pych
Executive VP/Finance
San Antonio Spurs
One SBC Center
San Antonio, TX 78212
(210)444-5513

Services: Project Manager for Design and
Construction

The AT & T Center (SBC Center) project was a public/private partnership between Bexar County, the Coliseum Advisory Board, the San Antonio Livestock Exposition and the San Antonio Spurs, along with SBC Communications, Inc. as naming rights sponsor.

Most new arenas are designed to accommodate basketball and hockey, but AT & T Center was designed with rodeo also in mind, as in the San Antonio Livestock Show and Rodeo calls AT & T Center home for a three week run in February. In most arenas, the rodeo is an afterthought that must be adapted to the space after the arena is built. But at AT & T Center, the sightlines for basketball, hockey and rodeo were evaluated and the optimum for the combination of events was designed and constructed into the building's seating bowl.

Paul Brown Stadium

Location: Cincinnati, OH
Size: 1.8 million sf
Budget: \$285,000,000
Completion: August 2000



Client: Cincinnati Bengals
One Paul Brown Stadium
Cincinnati, OH 45202

Contact: Troy Blackburn
Business Development
(513)621-3550

Services: Owner's Representative, Lease Negotiations, Developing Design Program Requirements, Validating Cost Estimates & Construction Schedules, Monitoring Design & Construction

The contemporary design of the new Paul Brown Stadium anchors a revitalization of Cincinnati's Riverfront District — and will set new standards for the design of future stadiums in the NFL for decades to come.

This \$285 million, 1.8 million sf facility opened in August 2000. Mark Horton has assisted the Bengals organization in a variety of roles — including lease negotiations, forecasting revenues, developing design program requirements, and validating cost estimates and construction schedules.

He also acted in the role of Owner's Representative during design and construction — as well as preparations for staffing and operating the new facility.

“Mark Horton provided superior leadership and direction for the Bengals in the development of Paul Brown Stadium. Mark served as the Club's representative on the project and oversaw design coordination, budget review, cost estimating, and program assurance. With his prior stadium experience, Mark contributed heavily to our project and was one of the reasons Paul Brown Stadium ended up the most decorated stadium in the NFL.”

-Troy A. Blackburn, Cincinnati Bengals

Cleveland Browns Stadium

Location: Cleveland, OH
Size: 72,000 seats
Budget: \$350,000,000
Completion: August 1999



Client: Cleveland City Council
601 Lakeside Avenue, Room 220
Cleveland, Ohio 44114

Contact: Diane Downing
Vice President, Administration
Cleveland Browns
(440)891-5000

Services: Project Monitor
Schedule
Budget
EEO Compliance

Mark Horton was Cleveland City Council's representative to the new, state-of-the-art, \$350 million dollar Cleveland Browns Stadium. With an opening day in August 1999, the lakefront Stadium features 72,000 seats, 120 loges, uninterrupted site lines, a new Dawg Pound, and hi-tech scoreboards and graphics.

For this Project, he monitored three areas that are most critical to the Council: schedule, budget and EEO compliance. He reported directly to Council leadership on Project status and workforce diversity — including an advisory role on legislative oversight and policy initiatives.

Budgetary analysis and schedule management is a vital concern for any major project. The Stadium was no exception, with added pressure for completion by opening day of the Browns' football season. He utilized considerable project- and construction management expertise to review and analyze Project budget and schedule — enabling him to independently advise Council on the Project's progress and the potential for future delays that affect building turnover and cost.

EEO compliance was also a top priority for our client, and considerable resources to this monitoring function were committed - working to ensure that contractors were meeting the MBE/FBE contractual goals, as well as those set for utilization of minorities, females and Cleveland residents in the Project's workforce.

Papa John's Cardinal Stadium Expansion

Location: Louisville, KY
Budget: \$72,000,000
Completion: August 2010



Client: University of Louisville Athletic Dept.
Contact: Mr. Tom Jurich
Director of Athletics
Vice President
University of Louisville

Services: Principal-in-Charge

Papa John's Cardinal Stadium is the home of the University of Louisville Football Team. The stadium has recently undergone a \$72.0 million expansion to add 13,000 seats, 1,500 Loge seats, and 33 Suites.

John B. Hilken, as Managing Partner of PC Sports, was the Principal-in-Charge representing the University Athletic Department in overseeing the design and construction of the expansion.

Verizon Center (MCI Center)

Location: Washington, D.C.
Budget: \$260,000,000
Completion: August 1997



Client: Washington Wizards & Washington Capitals

Services: Design & Construction Management Consultant

The Verizon Center is located on the east side of downtown Washington D.C., and serves as the home for the NBA Washington Wizards, the NHL Washington Capitals, the WNBA Washington Mystics, the Georgetown Hoyas Men's Basketball as well as numerous concerts, shows and other sporting events.

The arena has a capacity of 20,000 seats with over 1 million s.f. of floor area. Three levels of 100 suites start just 19 rows from the playing surface. A club level with a fine dining restaurant overlooks the playing floor. While the teams share a fitness room, they each have training and hydrotherapy facilities. The project has won numerous awards including:

1998 42nd Annual Craftmanship Award, AIA Washington D.C.

1998 Award for Excellence, AIA Washington D.C.

1998 Award of Excellence, Washington D.C. Business Journal

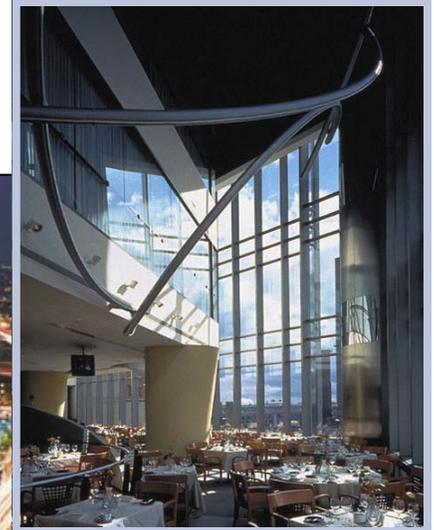
1998 Investors in American Design Award

1998 National Award, Design-Build Institute of America

John Hilkene was responsible for all aspects of design and construction for the Verizon Center.

Quicken Loans Arena (Gund Arena)

Location: Cleveland, OH
Budget: \$180,000,000
Completion: September 1994



Client: Cleveland Cavaliers

Contact: Todd Greathouse
Executive Director
(216)420-4071

Services: Owner's Representative, Lease Negotiations, Developing Design Program Requirements, Validating Cost Estimates & Construction Schedules, Monitoring Design & Construction

Quicken Loans Arena is located adjacent to Progressive in the Gateway district of Cleveland. The arena and stadium were constructed at the same time as part of a new sports district in downtown Cleveland.

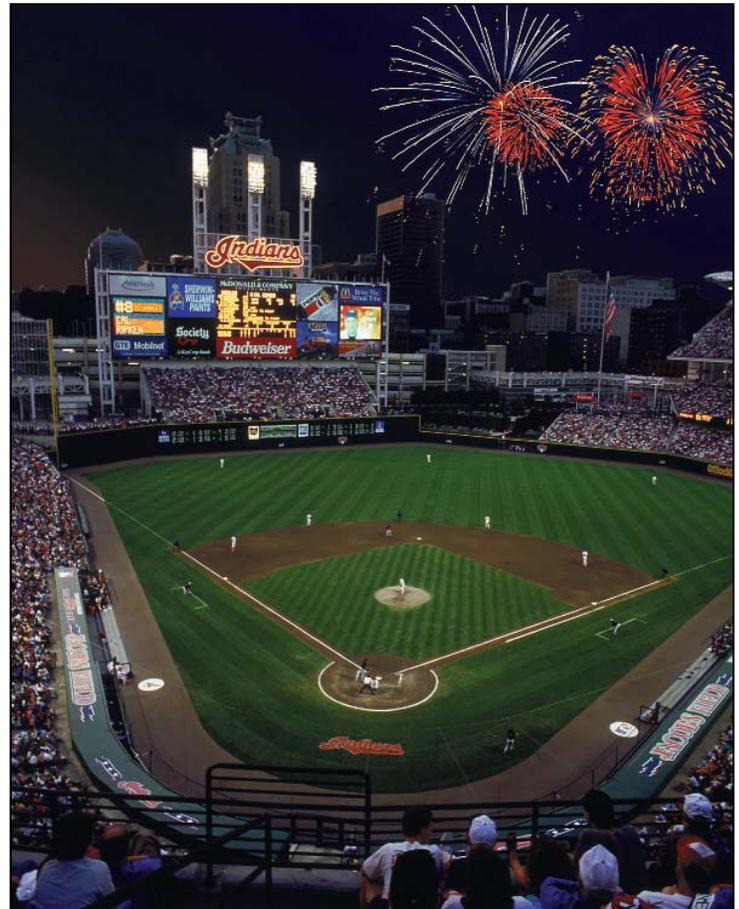
Quicken Loans Arena was designed to create a more intimate setting with 60% of its 20,500 seats located in the lower bowl. This intimate feel was extended to the suites by locating 28 of the suites only 15 rows from the arena floor. The remaining 60 suites are located 30 rows from the floor.

Quicken Loans Arena is designed for concert quality acoustical sound and concert rigging capacity. Quicken Loans Arena also includes a full-service production facility which includes an on-line production suite, master control facility, TV and radio studios to provide video, matrix, lighting and audio services as well as broadcast coordination. Quicken Loans Arena also includes a club restaurant, a sports bar, and a 7,000 car parking garage. Quicken Loans Arena also contains a regulation sized practice basketball court that is a replica floor of the original Cavaliers main court.

John Hilkene was responsible for all aspects of design and construction of Quicken Loans Arena.

Progressive Field (Formerly Jacobs Field)

Location: Cleveland, OH
Size: 1.4 million sf
Budget: \$200,000,000
Completion: 1994



Client: Gateway Economic Development Corp.
758 Bolivar Road
Cleveland, Ohio 44115

Contact: Jim Folk
Vice President Cleveland Indians
(216)420-4200

Services: Project Management, Permits and Approvals, Cost Controls, Schedule Monitoring, Dispute Resolution, Life Cycle Analysis, Operating Policies

Progressive Field is the crown jewel of Downtown Cleveland's renaissance.

Home of the Cleveland Indians since 1994, this facility has already been heralded as an icon in sports facility design. The record-breaking string of consecutive sell-outs season after season is a direct testimony to the success of a project originally conceived as a public-private economic-development program.

Mark Horton served as the project manager of Progressive Field for the Gateway Economic Development Corporation. This \$200 million, 1.4 million square foot facility was opened on time and on budget to rave reviews throughout major league baseball and the nation.

"Please accept this letter of acknowledgement on behalf of Cuyahoga County for your hard work and dedication on the Gateway Sports Complex. Your project management skills were invaluable to this monumental achievement by the City of Cleveland and Cuyahoga County."

- Thomas J. Hayes
Cuyahoga County Administrator

Lake County Captains

Location: Eastlake, Ohio
Budget: \$31,100,000
Completion: April 10, 2003



Client: City of Eastlake
35150 Lake Shore Boulevard
Eastlake, Ohio 44095

Contact: Ted Andrzejewski
Mayor
440.951.1416

Services: Feasibility /Marketability Analysis
Preliminary and Conceptual Site Selection
Architect Selection
Construction Manager Selection
Site Demolition
Conceptual and Preliminary Design
Bidding and Construction Services

This project consisted of the construction of a new 7,200 seat minor league baseball stadium for the City of Eastlake.

The City recognized that the central business district, the Vine Street Corridor, needed boost in economic development. Therefore, the City embarked on a major construction project of building the new minor league baseball stadium, now home of the Lake county captains, a Cleveland Indians affiliate tem.

The new ballpark is a 7,200 seat facility with a multitude of seating accommodations including outfield bleachers, upper deck skybox suites, administration offices, press box, radio/media areas, party decks, picnic areas and berm seating around the outfield. A separate clubhouse structure with home/visitor locker rooms, offices, training rooms and a year round field/batting cage area are included as part of the amenities of this facility. The facilities also include a new \$1.3 million park plaza with decorative brick pavers, decorative concrete sculptures, benches, trees, fountain and an ice skating rink; a new 700 space west parking lot and pedestrian bridge; and S.R. 91 widening and access drives.

Team Weston



SPORTS AND
ENTERTAINMENT

We Build Excitement

Owner's Representative Project Management Program Management



John B. Hilkene

Project Management ■ Owner's Representation ■ Program Management ■ Facilities Counseling



JOHN B. HILKENE

Principal

Weston Sports & Entertainment, LLC

jbhilkene@teamweston.com

EDUCATION:

MBA, Harvard University, 1972
BS, Purdue University, 1968
Graduated with Highest Distinction

AREAS OF EXPERTISE:

Project Management
Owner's Representative

PROJECT EXPERIENCE:

Mr. Hilkene has over 30 years of experience as a project manager on a wide range of large commercial and industrial projects. For the past 19 years he has been exclusively employed as the Project Manager/Owners Representative on 12 major league sports facilities. His experience on these projects has provided a detailed understanding of the operational and technical requirements for the design and construction of a multipurpose major league sports facility from the Owner's point of view.

JULY 2009-PRESENT:

PRINCIPAL, Weston Sports and Entertainment

Provides consulting services for major sports and public assembly venues

AUGUST 2001-DECEMBER 2009:

MANAGING PARTNER, PC SPORTS, LLC

Owner's Representative, University of Louisville School of Business
Owner's Representative, University of Louisville Athletic Association
Owner's Representative, Louisville Arena Authority
Program Manager, Kansas City Arena
Owner's Representative, Charlotte Bobcats
Owner's Representative, NBA
Owner's Representative, FedExForum
Owner's Representative, New Orleans Hornets

MARCH 2000-PRESENT:

MANAGING PARTNER, Seagull Bay Sports, LLC

Project Manager, New Charlotte Arena
Project Manager, SBC Center

1997-2000:

PROJECT MANAGER, Conseco Fieldhouse

Employed by Pacers Basketball Corporation. Responsible for all aspects of design and construction of the new fieldhouse for the Indiana Pacers.

1994-1997:

MANAGER OF DESIGN AND CONSTRUCTION, MCI Center

Employed by Washington Capitals and Washington Wizards.
Responsible for all aspects of design and construction of MCI Center.

1991-1994:

VICE PRESIDENT, Cleveland Cavaliers

Employed by Cleveland Cavaliers. Responsible for all aspects of design and construction of Gund Arena (Now Quicken Loans Arena).

1988-1991:

VICE PRESIDENT, Rickenbacker Development

Responsible for development, marketing, and operation of a 1600 acre air industrial park located at Rickenbacker Airport in Columbus, Ohio.


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MARK K. HORTON

Principal

Weston Sports & Entertainment, LLC

mhorton@teamweston.com

EDUCATION:

BS, Civil & Structural Engineering,
University of Tennessee, 1982
Graduate Cooperative Program

AREAS OF EXPERTISE:

Project Management
Owner's Representative
Project Monitor

Project Experience:

Mr. Horton is a Principal of Weston Sports as well as President of Weston Development Company. In his role with Weston Sports, Mark provides expert advice and direction to clients contemplating sports related capital projects. His specialty is in construction and operations of these facility types. For Weston Development, Mr. Horton is responsible for all aspects of managing this entity for the parent corporation. Current projects range from upscale residential to urban mixed-use office complexes. Additionally, Mr. Horton is nationally recognized as an expert in the design/build project development process.

From 1990 to 1997, Mr. Horton was employed by the Gateway Economic Development Corporation, a corporation established to develop the Gateway Sports Complex in downtown Cleveland, Ohio. His specific role during design and construction was as the Project Manager for the \$200 million Jacobs Field ballpark—home of the **Cleveland Indians** and now known as Progressive Field. He had direct responsibility for all design and construction, with overall management responsibilities for budget, schedule, quality and safety. Additionally, he coordinated financing with City, County, State and Federal agencies and conventional banking sources, and reported to the Board of Trustees on project progress, contract approvals and change orders. After completion of the project(s) in 1994, Mr. Horton went on to serve as the Director of Facilities for the Gateway Sports Complex through 1998.

In 1995 Horton formed his own consulting practice to field inquiries that came to him from his position at Gateway. In 1998 he left Gateway to work as a full-time professional consultant.

Additionally, Mr. Horton served on Governor Tom Ridge's Commonwealth of Pennsylvania's Sports Commission, focusing on proposed projects for the **Pittsburgh Pirates**, **Pittsburgh Steelers**, **Philadelphia Eagles**, and **Philadelphia Phillies**.

In 1998 Horton formed The Project Group LLC, and represented Cleveland City Council on the **Cleveland Browns** project. He also acted as the Owner's Representative for the owners of the **Cincinnati Bengals** on the development of Paul Brown Stadium.

Mr. Horton was a principal owner of a national project management firm based in Cleveland, The Project Group, from 1998 until 2005. He merged this company with CT Consultants, a professional engineering firm, in 2005. He joined the Weston Companies in 2008.

In addition, Mr. Horton has served in an advisory capacity for the **Seattle Mariners**, **Anaheim Angels**, **Texas Rangers**, **Atlanta Braves**, **Detroit Tigers**, and **Tennessee Titans**.

Mr. Horton also brings extensive project management experience in a number of municipal, nonprofit, and private sector projects in northern Ohio and beyond.

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EDWARD P. ASHER

Principal

Weston Sports & Entertainment, LLC

easher@teamweston.com

EDUCATION:

MBA, Case Western Reserve University, 1994

Bachelor of Aerospace Engineering, Auburn University, 1984

AREAS OF EXPERTISE:

Marketing

Research

Administration

Project Experience:

- 2009-PRESENT: **PRINCIPAL, Weston Sports & Entertainment**
Mr. Asher has been responsible for Marketing, Research and Administration for Weston Sports. His vast array of relationships and contacts have helped introduce Weston Sports into many new opportunities.
- 2007-PRESENT: **PRESIDENT, Weston Equities**
Mr. Asher is responsible for providing the equity financing needed to complete Weston's real estate transactions. Weston has raised over \$20,000,000 in equity from a variety of sources including institutions and individuals. His role includes investor relations and investor communication.
- 2004-2007: **PRESIDENT, Guardian National Title Insurance**
Mr. Asher was responsible for all aspects of operating this Title Insurance underwriter including profit and loss, sales, marketing, compliance with State Regulations and ultimately the sale and disposition of the company and its assets. He was responsible for the company's team of agents in Ohio and got the company licensed in Pennsylvania. He worked directly with the Ohio Department of Insurance to ensure compliance with State Regulations.
- 2001-2004: **PRESIDENT, Guardian Title and Guaranty Agency**
Mr. Asher was responsible for all aspects of operating this title insurance agency. He led a sales team of as many as 10 Sales Reps, managed customer relations and business operations, profit and loss, and ultimately the sale and disposition of the company and its assets. He worked with banks, lenders, mortgage companies, attorneys, real estate agents, and buyers and sellers of property. Guardian acted as Agent for several of the largest underwriters.
- 1987-2001: **VICE PRESIDENT, Weston, Inc.**
Mr. Asher worked in a variety of capacities at Weston including buying and selling of property, financing, leasing, construction and property management. He financed the largest properties in Weston's portfolio. He negotiated several significant leases for the company. He acted as project manager for several tenant improvement and new construction projects totaling over \$10,000,000.
- 1985-1987: **MEMBER OF TECHNICAL STAFF, Rockwell International**
Mr. Asher was part of the team building the Space Shuttle's Main Engine. His Systems group was responsible for integrating the components, testing, operating, reporting and evaluation of engine performance to seek improvements.

- BOARD EXPERIENCE:**
- City Club of Cleveland, 2002-2008
 - Salvation Army, 2001-Present
 - American Task Force for Lebanon, 1997-2007
 - Aitaneet Foundation, 2004-Present

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JOHN R. WASSON

President
Columbus Consulting Group

(650) 207-9760
johnwassonx@gmail.com

EDUCATION:

University of California, Graduate School of Business Administration
Purdue University, School of Aeronautical and Astronautical Engineering

PROFESSIONAL EXPERIENCE

- 1999-PRESENT: **PROJECT EXECUTIVE AND CONSULTANT, New San Francisco 49ers Stadium** Project Executive for 68,000-seat, \$1 billion NFL football stadium through Fall 2011. Full responsibility for all aspects of project development including planning, design, and construction. Working directly for and reporting to Team ownership. Team is acting as project manager for Stadium. Retired September 30, 2011. Continuing to work for the 49ers in a consulting role.
- 2000-2006: **TECHNICAL CONSULTANT, Arizona Cardinals - University of Phoenix Stadium**
63,500-seat, \$450 million NFL football stadium with retractable roof and retractable field. Worked directly for and reported to Team ownership. Team acted as project manager for Stadium. Active consultation on all aspects of planning, stadium design, construction, land acquisition, site development, quality control, contract negotiations, value engineering, scheduling, etc.
- 1994-1998: **OWNER'S REPRESENTATIVE AND PROJECT MANAGER, Arizona Diamondbacks - Bank One Ballpark (Now Chase Field)**
Project Manager for 49,000-seat, \$360 million MLB Baseball Stadium. Full responsibility for all aspects of design and construction of retractable-roof Ballpark. Worked directly for and reported to Team ownership. Team acted as project manager for Ballpark. Project was controversial due to tax funding. Experienced in dealing with active public side. Project was funded by both a county-wide sales tax and by private team funds.
- 1991-1993: **PROJECT MANAGER AND CONSULTANT, Cleveland Cavaliers - Gund Arena (Now Quicken Loans Arena)**
Team representation for 20,500-seat, \$135 million multi-purpose NBA Arena facility. Drafted Arena, Garage, Site Work, and Traffic/Parking scopes of work for Lease Agreement. Reviewed and commented on proposed construction and architectural contract forms for project. Represented Team in design and construction meetings with architects, contractors, and consultants. Met regularly with and reported directly to franchise ownership. Monitored bid process economics and provided reports on bid progress to Team. Drafted bid scope of work definitions and specifications for various direct purchases by Team. Conducted pre-bid and post-bid interviews with bidders for direct purchase items. Negotiated contracts with bidders on various packages purchased directly by Team. Drafted and implemented quality control monitoring system for Team. Drafted, monitored, and enforced Team's position on Traffic Management and Parking issues. Reviewed and issued comments on behalf of Team for numerous general building bid packages. Reviewed drawings and specifications for constructability and conformance to Lease. Analyzed sightline and seating bowl geometry and provided recommendations to Team. Analyzed television camera locations and configurations and implemented with NBA. Introduced "peer reviews" into design process and instituted "outside expert" reviews.
- 1991-1993: **NON-SPORTS CONSULTING WORK**
Analysis of multi-project real estate portfolio for large private investor (*Simon-Ariadne*)
Review of joint venture arrangement and personnel for large private investor (*William G. Simon*)
Analysis of potential consolidation of real estate for major aerospace company
- 1978-1990: **CABOT, CABOT, AND FORBES – Real Estate Development Company**
Executive Vice President (1989-1990); Vice President (1981-1988)
General oversight of company construction processes in 15 offices nationwide
Managed \$2 billion portfolio of company-owned properties
Managed west coast office of company's construction subsidiary (1979-1980)
- 1978-EARLIER: **Aberthaw Construction Company:** Project Manager on design-build projects; Regional manager
Lazar Associates/NICO Construction: Project Manager, Estimator, General Field Superintendent
Associated Construction Company: Project Manager on design-build projects; Vice President

RESOLUTION NO. 2013-

Adopted by the Sacramento City Council

APPROVING THE FIRST AMENDMENT TO THE MOPA AGREEMENT AND AUTHORIZING BUDGET APPROPRIATIONS AND PROFESSIONAL SERVICES AGREEMENTS IN PREPARATION FOR THE DOWNTOWN ENTERTAINMENT AND SPORTS CENTER PROJECT

- A. On March 26, 2013 the City Council approved a preliminary term sheet between the City and the investor group led by Vivek Ranadivé for the financing and development of an entertainment and sports center (ESC) in Downtown Plaza.
- B. In that term sheet, the City agreed to contribute \$258 million for the development of the ESC. The sources of the City's contribution include funds from parking monetization (\$212.5 million), property transfers (\$38 million), the City's Parking Fund (\$1.5 million), construction sales tax receipts (\$1 million), and funds (\$5 million) from Master Owner Participation Agreement (MOPA) that came from the City's sale of the Sheraton Grand Hotel.
- C. The deadline for the completion of the ESC as identified by the National Basketball Association (NBA) and the new owners of the Sacramento Kings known as Sacramento Basketball Holdings, LLC is October 2016.
- D. In order to prepare the definitive agreements resulting from the term sheet, the City requires professional expertise in the technical, financial, and legal aspects of arena development. Such expertise is necessary to represent the City's interests in negotiations and assist in developing the definitive agreements and the financial structure for the City's contribution to the ESC.
- E. These professional services as set forth in Exhibit A are needed immediately not only for preparation of the definitive agreements but also to ensure that staff is prepared with the necessary resources when and if the Council directs staff to proceed with the financing and development of the ESC in partnership with the ownership group. It is in the City's best interests to authorize the City Manager, City Attorney,

and City Treasurer to contract for the services as provided in this resolution.

- F. The MOPA for the use of the proceeds from the sale of the Sheraton Grand Hotel was executed between the City and David S. Taylor Interests/CIM. The purpose of the funds is for development and revitalization efforts in the downtown.
- G. The Parking Fund and MOPA funds have been identified as potential sources of funding for the Downtown ESC Project. To the extent that those funds are used as part of the City's contribution toward the ESC, the use of these funds may be counted toward the City's \$258 million contribution subject to the outcome of the definitive agreements. However, if the Downtown ESC Project does not move forward, then those funds would not be credited nor would they be reimbursed.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Manager or his designee is authorized to execute the first amendment to the Master Owner Participation Agreement, attached as Exhibit B.
- Section 2. A multi-year operating project (MYOP) for the Downtown ESC Project is hereby established (I0200500).
- Section 3. An expenditure budget in the amount of \$6.5 million in the Downtown ESC Project (I0200500) MYOP: \$1.5 million from the Parking Fund (Fund 6004) and \$5 million from the MOPA Funds (Fund 2030) is established.
- Section 4. A capital improvement project (CIP) for the Downtown ESC Project is hereby established (B0200100).
- Section 5. The City Manager or his designee is authorized to move appropriations and expenditures between the MYOP and CIP when appropriate based on City budget and accounting policies.
- Section 6. The City Manager or his designee is authorized to execute professional services agreements for technical and financial advisory services for assistance with the Downtown ESC Project for a total amount not to exceed \$250,000.

Section 7. The City Attorney or his designee is authorized to execute legal services agreements for assistance with the Downtown ESC project for a total amount not to exceed \$550,000.

Section 8 The City Treasurer or his designee is authorized to execute professional services agreements for assistance with the Downtown ESC Project for a total amount not to exceed \$505,000.

Section 9. The City Manager or his designee is authorized to execute a professional services agreement with Weston Sports and Entertainment for sports facility design and construction advisory services for the Downtown ESC Project for an amount not to exceed \$250,000.

Section 10. The City Manager or his designee is authorized to execute a professional services agreement with Barrett Sports Group, LLC, for negotiation, advisory, and other services for the Downtown ESC project, in an amount not to exceed \$200,000.

Exhibit A - Summary of ESC Consultant Services and Costs

Exhibit B – First Amendment to the Master Owner Participation Agreement

Exhibit A
Summary of ESC Consultant Services and Costs

Type of Consultant Service	Amount
ESC Facility and Finance Advisor	\$200,000
Legal Services	\$550,000
Sports Facility Design and Construction Advisor	\$250,000
Parking Analysis	\$425,000
ESC Revenue Analysis	\$80,000
Real Estate Transaction Services	\$200,000
Communications/Outreach Assistance	\$50,000
Total:	\$1,755,000

**FIRST AMENDMENT
TO
MASTER OWNER PARTICIPATION AGREEMENT
AND
AGENCY FUNDING AGREEMENT
FUTURE DOWNTOWN REDEVELOPMENT PROJECTS**

This First Amendment to Master Owner Participation Agreement and Agency Funding Agreement (this "Amendment") is entered into as of _____, 2013 (the "Effective Date), by and between the **CITY OF SACRAMENTO**, a municipal corporation ("City") and **TAYLOR/CIM REDEVELOPMENT COMPANY, LLC**, a California limited liability company (the "Developer").

Recitals

A. The Redevelopment Agency of the City of Sacramento (the "Agency") and Developer previously entered into a Master Owner Participation Agreement and Agency Funding Agreement dated as of May 2, 2008 (the "MOPA"). The MOPA acknowledged that the Developer is proceeding with plans for the renovation and redevelopment of one or more properties it currently owns within the Merged Downtown Sacramento Redevelopment Project Area (the "Merged Redevelopment Project Area") and with conceptual plans for the redevelopment of properties that it may acquire (the "Properties") within the Merged Redevelopment Project Area. The redevelopment of the Properties was referred to in the MOPA as the "Projects." As a material inducement to the Developer to continue with such planning and implementation of the Projects, the Agency agreed to provide financial assistance to the Developer from the MOPA Funds, as defined below, for renovation and redevelopment work in accordance with the terms and conditions of the MOPA.

B. On or about May 2, 2008, the City received certain funds (the "Net Proceeds") of approximately \$49 million from the following transactions: (a) the sale of the Sheraton Grand Sacramento Hotel located at 1230 J Street (the "Hotel"), pursuant to a certain Sheraton Grand Sacramento Hotel Purchase and Sale Agreement dated April 16, 2008, between the Sacramento Hotel Corporation, a California nonprofit public benefit corporation, (referred to as "Seller" or "Hotel Seller"), and CIM Urban REIT Acquisition, LLC, a California limited liability company, (referred to as "Purchaser") and Public Market Building LLC, a California limited liability company, (referred to as "Manager"), whereby the Hotel sale proceeds were to be transferred to City pursuant to certain prior agreements between City and Seller; and (b) the sale of the City's Parking Garage located at the intersection of 13th Street and J Street, pursuant to that certain 13th and J Street Garage Agreement of Purchase and Sale dated April 16, 2008, between the City (referred to as "Seller" or "Garage Seller"), CIM Urban REIT Acquisition, LLC, a California limited liability company, (referred to as "Buyer"), the Sacramento Hotel Corporation, a California nonprofit public benefit corporation, (referred to as "Hotel Corporation"), and Public Market Building, LLC, a California limited liability company, (referred to as "Manager"). A portion of the Hotel sale proceeds were used to defease the revenue bonds issued by the Sacramento City Financing Authority to fund construction of the Hotel. Pursuant to City

Council Resolution No. 2008-190 adopted on March 25, 2008, the City pledged to pay and deposit with the Agency the cash sum equal to Fifty Percent (50%) of the Net Proceeds received by the City, and pursuant to City Resolution No. 2008-372, additional Net Proceeds were allocated to Agency, for a total of approximately \$27.7 million. As set forth in the City resolutions, these funds were provided to Agency to accelerate the development, construction, acquisition, and enhancement of various facilities, projects, and improvements within the city, and in particular for underutilized and economically depressed sites within the Merged Redevelopment Project Area. Also on March 25, 2008, the Agency adopted Resolution No. 2008-018, whereby the Agency approved the MOPA. Under the terms of the MOPA, the Agency agreed to budget, and deposit and maintain, in a separate line item account of the Agency, the principal of which was pledged solely for use as provided in the MOPA (the "MOPA Funds"). The Agency held the MOPA Funds in trust for the City to provide financial assistance to Developer for certain Projects in accordance with the terms and conditions of the MOPA. Some of the MOPA Funds have been previously conveyed to Developer by Agency for Projects, and approximately \$19.3 million remains available to Developer under the MOPA.

C. In entering into the MOPA, the Agency found and determined that the Projects anticipated under the MOPA would meet certain goals of the Agency for the Merged Redevelopment Project Area, including without limitation, elimination of the following: vacancies and low lease rates, deficient buildings and unreinforced masonry buildings, and underutilized or obsolete properties; development of mixed use catalyst projects; increase of downtown office, retail and residential uses; and the provision of assistance to projects that contribute to the development of an active theater and entertainment district. The Projects to be undertaken by the Developer under the MOPA were intended to complement other uses in the Merged Redevelopment Project Area and the Convention and Theater District.

D. As part of the 2011-2012 State budget bill, the California Legislature enacted, and the Governor signed, companion bills AB 1X 26 and 27, requiring that each redevelopment agency in the State be dissolved as of October 1, 2011, unless the community that created it enacted an ordinance committing it to making certain payments. A Petition for Writ of Mandate was filed in the Supreme Court of California on July 18, 2011 (*California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. 5194861), challenging the constitutionality of AB 1X 26 and AB 1X 27 on behalf of cities, counties and redevelopment agencies. On December 29, 2011, the Supreme Court issued its final decision in the aforesaid litigation, upholding AB 1X 26 and invalidating AB 1X 27, which resulted in the dissolution of all redevelopment agencies throughout the State effective February 1, 2012.

E. Pursuant to Health and Safety Code Section 34173(d), the City of Sacramento elected to become the Redevelopment Agency Successor Agency (the "RASA") for the Agency's non-housing assets and functions by Resolution No. 2012-018 adopted on January 31, 2012. Except for those powers repealed or limited by AB 1X 26, the authority and obligations of the dissolved Agency, along with all of its assets, property, contracts, leases, books and records, but excluding the housing assets and functions, have been transferred to and are vested in the City acting in its capacity as the RASA. The actions of RASA with regard to the Agency's non-housing assets and functions are subject to approval of the Oversight Board and the State Department of Finance under AB 1X 26.

F. Because the MOPA Funds held and managed by the Agency were City funds, the State Department of Finance directed RASA to transmit the remaining MOPA Funds and assign the MOPA to the City. On June 4, 2012, the Oversight Board for RASA approved Resolution No, 2012-008 authorizing the transfer of the MOPA Funds and assignment of the MOPA to the City. On November 20, 2012, by Resolution No, 2012-392, the City accepted the transfer of the MOPA Funds and the assignment of the MOPA. As a result, the City became the successor to the Agency for the MOPA. Accordingly, the City has been vested with the authority and the obligation to continue to perform the Agency's obligations under the MOPA and to utilize the balance of the MOPA Funds held in trust for the City in accordance with the MOPA.

G. The City has been working on a financing plan for the development of an entertainment and sports complex (the "ESC") to be located in the downtown area of the City on potential sites which are located in or contiguous to the Merged Redevelopment Project Area. In order to facilitate the financing of the ESC, the City desires to use Five Million Dollars (\$5,000,000) of the MOPA Funds to fill a gap in the financing for the ESC Project.

H. The ESC, as envisioned by the City, would be a major catalyst to the redevelopment and revitalization of all of downtown Sacramento. The ESC would be a venue for year round sports and entertainment events that are anticipated to attract a significant number of people to downtown Sacramento on an annual basis. The ESC, if developed, is anticipated to attract additional patrons to existing restaurants, hotels and businesses within the Merged Redevelopment Project Area, and create the need for more of such uses throughout downtown Sacramento. As a consequence, the ESC is anticipated to improve property values and impaired investment throughout downtown Sacramento, including the Merged Redevelopment Project Area, help to spur development of currently underutilized properties, and reduce vacancies and improve lease rates, as the ESC will help downtown Sacramento become the primary destination for entertainment in the Sacramento region. The ESC would benefit Developer's Properties and Projects under the MOPA.

I. In light of the anticipated benefit to the Merged Redevelopment Project Area, including but not limited to the benefit to those Properties and Projects owned or to be acquired by the Developer as anticipated in the MOPA, that would be derived from the development of the ESC, the City and Developer desire to amend the MOPA to allow for the use of a portion of the MOPA Funds, not to exceed Five Million Dollars (\$5,000,000.00), by the City for the development of the ESC project, subject to the terms and conditions of this Amendment.

Agreements

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and Developer hereby agree as follows:

Section 1. All capitalized terms not defined in this Amendment shall have the meanings as defined in the MOPA.

Section 2. The City shall deposit Five Million Dollars (\$5,000,000.00) (the "MOPA ESC Funds") from the segregated account of the City currently holding the MOPA Funds into a separate account established by the City to be used for the development of the ESC project. The MOPA ESC Funds shall be used by City solely and exclusively to pay for expenses incurred in connection with development of the ESC to be undertaken by the City. In the event that the City determines that the ESC project will not be completed, then the remaining uncommitted balance of the Five Million Dollars (\$5,000,000) shall be redeposited into the segregated account of the City holding the MOPA Funds, to be used by Developer in accordance with the terms and conditions of the MOPA.

Section 3. As partial consideration for Developer's agreement to make the MOPA ESC Funds available for development of the ESC, the dates set forth in the Milestone Events Schedule of the MOPA are hereby extended as follows:

A. In the event that the City decides not to proceed with the development of the ESC, the Target Date for submission of the Developer's next Subsequent Project is extended to three years from the date upon which the City Council formally determines that it will not proceed with the development of the ESC, and all subsequent dates in the Milestone Events Schedule are adjusted accordingly.

B. In the event that the City does proceed with the development of the ESC, the Target Date for submission of the Developer's next Subsequent Project is extended to three years from the date upon which the City certifies the Environmental Impact Report for the ESC, and all subsequent dates in the Milestone Events Schedule are adjusted accordingly.

Section 4. CIM Urban REIT Acquisition, LLC, an entity affiliated with the Developer, owns that portion of the block bounded by 12th, 13th, I and J Streets, which is currently in use as a parking structure (the "Garage Site"). The Garage Site is designated C-3-SPD in the City's Zoning Code, which zoning designation contemplates a broad range of intensive urban uses. As further consideration for Developer's agreement to allow the use of the MOPA ESC Funds for development of the ESC, and in an effort to facilitate Developer's proposal for its next Subsequent Project under the MOPA, the City acknowledges and agrees that the use of MOPA funds for the development of the Garage Site with intensive uses that may include retail-commercial, hotel, residential and/or office with ground floor retail-commercial components is permitted under the MOPA.

Section 5. The City and Developer acknowledge and agree that the funding of the ESC as contemplated in this Amendment will help to facilitate the development of the ESC and serve as a catalyst for development and enhanced commercial activity throughout downtown Sacramento, thereby directly benefiting the Merged Redevelopment Project Area and the Properties and Projects contemplated in the MOPA. However, the expenses for the ESC project to be funded pursuant to this Amendment are different than the types of Projects contemplated under the MOPA, in part because the Developer will have no ownership interest in the ESC. The parties therefore agree that the procedures for allocating the MOPA Funds and the requirements and limitation applicable to the use of the MOPA Funds as set forth in the MOPA shall not apply to the funding of the ESC expenses as set forth in this Amendment, and the use of MOPA ESC

Funds shall be allocated and used solely in accordance with the terms and conditions of this Amendment.

Section 6. The effective date of this Amendment shall be the date that this Amendment is approved by the City. Except as modified and amended by this Amendment, all other provisions of the MOPA shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this First Amendment to Master Owner Participation Agreement and Agency Funding Agreement as of the date set forth above.

City:

CITY OF SACRAMENTO,
a municipal corporation

DATED: _____, 2013

By: _____

John F. Shirey
City Manager

ATTEST

By: _____
City Clerk

APPROVED AS TO FORM:

By: _____
Senior Deputy City Attorney

-AND-

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PMO

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Developer:

TAYLOR/CIM REDEVELOPMENT COMPANY, LLC
A California limited liability company.

DATE: 6/19, 2013

By:



David S. Taylor
Its Managing Member