

Meeting Date: 2/24/2015

Report Type: Consent

Report ID: 2015-00204

Title: Additional Funding for Weston Sports and Entertainment for Entertainment and Sports Center (ESC) Project

Location: Downtown Plaza, District 4

Recommendation: Pass a Resolution 1) authorizing City Manager or his designee to amend the professional services agreement with Weston Sports and Entertainment to increase their budget by \$250,000 for a total contract amount not to exceed \$750,000.

Contact: Desmond Parrington, ESC Project Manager, (916) 808-5044, Office of the City Manager

Presenter: None

Department: City Manager

Division: Executive Office

Dept ID: 02001011

Attachments:

1-Description/Analysis

2-Background

3-Resolution

City Attorney Review

Approved as to Form

Matthew Ruyak

2/18/2015 5:44:14 PM

Approvals/Acknowledgements

Department Director or Designee: John Dangberg - 2/18/2015 11:57:50 AM

Description/Analysis

Issue Detail: Staff is seeking Council authorization to increase the amount of the City's contract with Weston Sports & Entertainment by \$250,000 for a total contract amount not to exceed \$750,000 for its continued advisory and monitoring services on the ESC project. This additional expense is reimbursable by Sacramento Downtown Arena LLC (ArenaCo) under the provisions of the Arena Design and Construction Agreement (City Agreement No. 2014-0505).

Policy Considerations: Given the complex nature of the ESC project and the City's investment, it is important that staff have the expertise and professional services needed to ensure the completion of the project.

Economic Impact: Not applicable.

Environmental Considerations: This report addresses funding for consultant services for the ESC project. 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).

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: Development of the ESC is a complicated endeavor and the City should ensure that it has the necessary technical information and proper oversight to protect the City's interests and ensure timely completion of the project.

Financial Considerations: The Arena Design and Construction Agreement (City Agreement No. 2014-0505, the "ADACA") provides reimbursement for City-incurred ESC project expenses including consultants for the project. On June 5, 2014 in Resolution 2014-0155, Council authorized the City Manager to adjust project revenue and expenditure budgets as necessary for the ESC Project (I02000500) to account for reimbursable expenses as set forth in the ADACA. This recommendation would increase Weston Sports and Entertainment's contract amount by \$250,000 for a total contract amount not to exceed \$750,000, which will be reimbursed by ArenaCo under the terms of the ADACA. There is no impact to the General Fund.

Local Business Enterprise (LBE): Not applicable.

Background

Weston Sports & Entertainment has served as the City's advisor, technical consultant, and project monitor for the ESC project since June 2013. Weston has extensive experience serving as public and private sector advisors and owner's representatives for sports facility projects across the country. Weston has served a critical role throughout this project for the City from the preparation of the definitive agreements to the preparation of design and construction documents to, most recently, oversight of the construction process.

Council approved in Resolution 2013-0236 an initial allocation of \$250,000 for sports advisory services from Weston in June 2013. As the project moved from the definitive agreement phase to design, Council approved an additional \$250,000 for Weston's services on June 5, 2014 (Resolution 2014-0155). Now that the project has entered the construction phase, staff is requesting an additional \$250,000 for a total contract amount not to exceed \$750,000. The services during the final construction phase would include review and comment on construction plans, on-site construction monitoring, quality control, review of any change orders, meeting attendance, coordination between the ESC and mixed-use hotel projects, review of payment applications, review of record drawings, and review of punch list items, among others.

RESOLUTION NO. 2015-

Adopted by the Sacramento City Council

AUTHORIZING CONTINUED PROFESSIONAL SERVICES EXPENSES FROM WESTON SPORTS AND ENTERTAINMENT FOR THE DOWNTOWN ENTERTAINMENT AND SPORTS CENTER PROJECT

- A. On March 26, 2013, Council approved a preliminary non-binding term sheet for the ESC that provided for reimbursement of City predevelopment expenses by the investor group (Sacramento Basketball Holdings LLC)
- B. After approval of the term sheet for the ESC, Council approved Resolution 2013-0236 authorizing the City Manager to execute a contract with Weston Sports and Entertainment for an initial amount of \$250,000 to advise the City during the planning and development of the definitive agreements for the ESC.
- C. On May 20, 2014, Council approved the Arena Design and Construction Agreement, which requires that Sacramento Downtown Arena LLC (ArenaCo), an affiliate of Sacramento Basketball Holdings LLC, reimburse the City for eligible costs associated with the development of the ESC.
- D. Weston Sports and Entertainment has served as the City's advisor, technical consultant and project monitor for the ESC project and has extensive experience in the design and construction of major league sports facilities.
- E. On June 5, 2014 in Resolution 2014-0155, Council authorized an additional \$250,000 for Weston during the design phase of the project and gave the City Manager the authority to adjust project revenue and expenditure budgets as necessary for the ESC Project (I02000500) to account for reimbursable expenses as set forth in the Arena Design and Construction Agreement.
- F. Weston's services continue to be needed by City staff to monitor the construction phase of the ESC project in order to safeguard the City's interests, and support the timely completion of the ESC project given the complex nature of this project.

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 amend the professional services agreement with Weston Sports and Entertainment to increase their budget by \$250,000 for a total contract amount not to exceed \$750,000.