

**Meeting Date:** 1/12/2016

**Report Type:** Consent

**Report ID:** 2015-01001

**Title: Agreement Amendment: 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 \$1,000,000.

**Contact:** Desmond Parrington, AICP, 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
- 4-Contract

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### **City Attorney Review**

Approved as to Form  
Matthew Ruyak  
1/6/2016 8:29:55 AM

### **Approvals/Acknowledgements**

Department Director or Designee: John Dangberg - 1/5/2016 2:10:49 PM

## Description/Analysis

**Issue Detail:** City 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 \$1,000,000 for its continued advisory and monitoring services on the ESC project, now known as the Golden 1 Center. This additional expense is reimbursable by Sacramento Downtown Arena LLC (ArenaCo) under the provisions of the Arena Design and Construction Agreement (Resolution 2014-0132).

**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 Golden 1 Center. 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 Golden 1 Center 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, investment, and ensure timely completion of the project.

**Financial Considerations:** The Arena Design and Construction Agreement (Resolution 2014-0132) provides reimbursement for City-incurred Golden 1 Center 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 Arena Design and Construction Agreement (ADACA). This recommendation would increase Weston Sports and Entertainment's contract amount by \$250,000 for a total contract amount not to exceed \$1,000,000, 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.

In Resolution 2013-0236, Council approved 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). On February 24, 2015, Council approved an additional \$250,000 for a total contract amount of \$750,000 (Resolution 2015-0044). Those funds have been expended and for the remainder of the project, staff is requesting an additional \$250,000 to see the project through completion. The services to be provided by Weston Sports and Entertainment during the final construction phase include the following:

- On-site construction monitoring;
- Meeting attendance;
- Coordination between the Golden 1 Center and mixed-use hotel project;
- Review of payment applications;
- Troubleshooting, coordination and assistance with City Building Inspectors and Turner;
- Punch list review and monitoring for City;
- Review of monthly reporting from Turner;
- Assist City with review of change orders per ADACA;
- Follow up on quality standard issues for City;
- Assist City staff with project close out items; and
- Opening day/event operational planning.

This request for additional funding is needed to see the project through to substantial completion. Additional services from Weston Sports & Entertainment may be needed for project close-out which typically takes anywhere from three months to a year after substantial completion. Prior to substantial completion a determination will be made for the scope and cost of project close-out services, if any.

RESOLUTION NO. 2016-

Adopted by the Sacramento City Council

AUTHORIZING THE CITY MANAGER OR  
DESIGNEE TO AMEND THE PROFESSIONAL  
SERVICES AGREEMENT WITH 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. On June 5, 2014 in Resolution 2014-0155, Council authorized an additional \$250,000 for Weston.
- E. On February 24, 2015 in Resolution 2015-0044, Council approved \$250,000 for Weston Sports and Entertainment for a grand total of \$750,000.
- F. Professional advisory services continue to be needed by City staff to safeguard the City's interests, its investments, and support the timely completion of the ESC (Golden 1 Center) given the complex nature of this project.
- G. 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.

- H. Weston's services continue to be needed to monitor the final construction phase of the ESC (Golden 1 Center) 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 \$1,000,000.

## SUPPLEMENTAL AGREEMENT

**Project Title and Job Number:** ESC Project - Project #102000503  
**Purchase Order #:** \_\_\_\_\_

**Date:** 1/05/16  
**Supplemental Agreement No.:** 3

The City of Sacramento ("City") and Weston Sports and Entertainment LLC ("Contractor"), as parties to that certain Professional Services Agreement designated as Agreement Number 2013-0828, including any and all prior supplemental agreements modifying the agreement (the agreement and supplemental agreements are hereafter collectively referred to as the "Agreement"), hereby supplement and modify the Agreement as follows:

- The scope of Services specified in Exhibit A of the Agreement is amended as follows:

Contractor shall continue performing the services described under the Agreement. This supplemental agreement increases the amount of the contract by \$250,000 to compensate Contractor for additional fees and expenses.

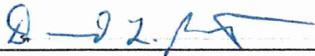
- In consideration of the additional and/or revised services described in section 1, above, the maximum not-to-exceed amount that is specified in Exhibit B of the Agreement for payment of Contractor's fees and expenses, is increased by \$250,000, and the Agreement's maximum not-to-exceed amount is amended as follows:

Agreement's original not-to-exceed amount:	250,000
Net change by previous supplemental agreements:	500,000
Not-to-exceed amount prior to this supplemental agreement:	750,000
Increase by this supplemental agreement:	250,000
New not-to exceed amount including all supplemental agreements:	1,000,000

- Contractor agrees that the amount of increase or decrease in the not-to-exceed amount specified in section 2, above, shall constitute full compensation for the additional and/or revised services specified in section 1, above, and shall fully compensate Contractor for any and all direct and indirect costs that may be incurred by Contractor in connection with such additional and/or revised services, including costs associated with any changes and/or delays in work schedules or in the performance of other services or work by Contractor.
- Contractor warrants and represents that the person or persons executing this supplemental agreement on behalf of Contractor has or have been duly authorized by Contractor to sign this supplemental agreement and bind Contractor to the terms hereof.
- Except as specifically revised herein, all terms and conditions of the Agreement shall remain in full force and effect, and Contractor shall perform all of the services, duties, obligations, and conditions required under the Agreement, as supplemented and modified by this supplemental agreement.

**Approval Recommended By:**

**Approved As To Form By:**

  
 \_\_\_\_\_  
 Project Manager

  
 \_\_\_\_\_  
 City Attorney

**Approved By:**

  
 \_\_\_\_\_  
 Contractor

**Attested To By:**

\_\_\_\_\_  
 City of Sacramento

\_\_\_\_\_  
 City Clerk