

Agenda Item Details

Meeting	Mar 20, 2019 - Bryan City Council Special Meeting
Category	3. Regular Agenda - This agenda consists of items requiring individual consideration by Council.
Subject	A. Consider approval of an Interim Services Agreement for Park Development between the City of Bryan and Stonehenge Holdings, L.L.C., in an amount not to exceed \$214,000
Type	Action
Preferred Date	Mar 20, 2019
Absolute Date	Mar 20, 2019
Fiscal Impact	Yes
Budgeted	No
Budget Source	General Fund (Fund Balance) or other fund(s)
Recommended Action	Motion to approve a proposed Interim Services Agreement for a regional park with Stonehenge Holdings, L.L.C., for services necessary for a public-private partnership for the development of a new regional park on City-owned property at the northwest corner of Villa Maria Road and South College Avenue (a.k.a. the former Municipal Golf Course and other property) and certain other City-owned property for a total fee in an amount not to exceed \$214,000, inclusive of labor, travel expenses, supervision, reporting, and document production as outlined in the proposed Agreement.
Goals	Economic Development Service Quality of Life

Summary:

On December 12, 2017, the City Council accepted gifted property for a new municipal golf course, now known as the City Course at the Phillips Event Center. With this acceptance, the municipal golf course located at the northwest corner of Villa Maria Road and South College Avenue was closed on December 31, 2018. The City Council has indicated a strong desire to have the former Municipal Golf Course property converted into a regional park.

On April 10, 2018, the City Council approved an Architectural/Engineering Services contract with Burditt Consultants, LLC, for park design for the aforementioned property at the northwest corner of Villa Maria Road and South College Avenue, inclusive of the former Municipal Golf Course property, current Astin Recreation Area and Williamson Park, along with Travis Field properties and City-property across from Travis Fields on Bomber Drive.

On November 13, 2018, Burditt Consultants presented plans for the regional park during a City Council Workshop. Councilmembers "expressed excitement about the proposed plan." Consequently, on November 30, 2018, City staff released Request for Qualifications (RFQ) #19-012, entitled, "Multifaceted Development of a Regional Park on City Property Located at the Northwest Corner of Villa Maria Road and South College Avenue."

RFQ #19-012 included an intent and scope of work section. In part, the scope included the following:

"The City is considering transforming the Park Property into a regional park; the existing parks within the Park Property should complement the new regional park. The City is seeking a firm or firms to provide development options, including services such as advising/consulting, financing/financing options, designing (including construction drawings), design/build, developing, constructing, and/or operating/maintaining the entire park, elements of the park, or some other public-private partnership (P3) venture with the City. A P3 should contribute and support operations of the proposed park. As defined within this RFQ, development of the Park Property also could include the Travis Athletic Complex, excluding the large field (Nutrabolt Stadium), and the adjacent vacant property. However, The City reserves the right to separate out areas of the Park Property for specific development and/or other uses."

By the RFQ submission deadline of January 10, 2019, the City received four (4) responses. After a review by a team consisting of the Bryan Business Council president, the Parks and Recreation Board Chair, and several City staff, Stonehenge Holdings, LLC, (Stonehenge) was selected as the firm to begin negotiations. Since that time, City staff has negotiated a two-step process for this project. The City Council has an opportunity to consider the first step with this Council Action Form. The first step is an Interim Services Agreement, which allows Stonehenge to further vet the project, identify partners, conduct necessary studies, etc., as further explained in the Agreement and in the below summary:

- **Section 1 (Pre-Development Activities):** This section addresses activities for Stonehenge to complete, which could include design, engineering, construction and other professionals and consultants necessary for the planning, design, engineering, development, construction, and financing of the project; preparation of preliminary drawings, conceptual designs, schematic designs, preliminary specifications, design development, and construction documents for the project; detailed assessment of the Site, including feasibility study, market evaluation, title review, boundary/topographical surveys, soil borings and geotechnical testing, landscape drawings, water analysis, civil engineering analysis, and/or environmental site assessment; preparation of a detailed development schedule; assessment of the transaction structure and the related financing alternatives; assisting the City in (A) satisfying the requirements of any proposed financing, (B) negotiating the terms of the financing documents, and (C) closing the financing; and other activities.
- **Section 2 (Entry Upon Site):** This section grants Stonehenge the right to enter upon the City property.
- **Section 3 (Reimbursable Expenditures):** This section addresses the process for the City to reimburse Stonehenge for expenses incurred during the Interim Services Agreement process. That is, initially, Stonehenge funds pre-development costs, which are then reimbursed by the City. Actual costs and expenses are subject to reimbursement, as defined by the scope of services within deliverables provided as exhibits to the Agreement. As a side note, if another partner becomes involved, they could assume some of the reimbursable expenses. Exhibit B (Proposed Budget) is referenced in this section.
- **Section 4 (Work Product):** This section addresses ownership of the work products, which belong to Stonehenge until such time that the City reimburses the cost of the work or Stonehenge otherwise assigns ownership to the City.
- **Section 5 (Reimbursement):** This section complements Section 3 (Reimbursable Expenditures) and further defines the process for the City to reimburse Stonehenge for work contemplated within the Agreement. The City is obligated to reimburse Stonehenge for costs incurred as part of the Agreement, until such time the Agreement is terminated.
- **Section 6 (Indemnity):** This section has Stonehenge indemnifying and holding harmless the City, its officers, trustees, agents, and employees.
- **Section 7 (Insurance Requirement):** This section includes the City's standard insurance requirements, which Stonehenge is obligated to obtain.
- **Section 8 (Term):** This section identifies the term, which includes the possibility of a future agreement, and includes a definitive term end date for the Agreement, which is July 1, 2019, unless both parties agree in writing to extend the term.
- **Section 9 (Termination):** This section allows for termination by either party at any time, with or without cause.

- **Section 10 (Assignment):** This section does not allow Stonehenge to assign this Agreement without the prior written consent of the City.
- **Section 11 (Representations and Warranties):** This section states the City and Stonehenge have power and authority to enter into this Agreement.
- **Section 12 (Miscellaneous):** This section includes boilerplate language and other information similar to many agreements. For example, this section recognizes the Agreement may be executed with multiple originals, provides notification details, etc.

Staff Analysis and Recommendation:

This high profile project requires a firm with development experience, ideally with public-private partnerships. When completed, the regional park will serve generations to come and could be considered a legacy park – a park designed and built during this generation but one to serve the community for multi-generations. To expedite this project and to better ensure construction and operation success, a public-private partnership seems appropriate for this type of project.

Assuming a public-private partnership is pursued, this proposed Interim Services Agreement is the proposed next step. This Agreement provides Stonehenge an opportunity to complete a due diligence process that better defines the next step, which could include a ground lease agreement with Stonehenge. If a ground lease is pursued, that document will include responsibilities, financing strategies, construction, operations and maintenance, etc. That is, a ground lease could be the next and final document before construction begins on the property.

If after the Interim Services Agreement work is completed, a ground lease is not pursued, the work completed during this process is still pertinent to moving forward with the regional park. That is, the City needs the work contemplated within the Interim Services Agreement to move forward with a regional park. A partnership with a developer should expedite this type of work, resulting in the City moving more quickly into the construction process.

Stonehenge is in the process of assembling a team for this project. For example, Stonehenge has engaged Burditt Consultants as the design firm, identified possible financial experts, begun to review operations options, etc. Based on the expertise and experience of Stonehenge, along with the local connections to the community and knowledge of the area, staff recommends approving the Interim Services Agreement with Stonehenge Holdings, LLC, in an amount not to exceed \$214,000.

Note: Since the process to select a firm used a Request for Qualifications (RFQ) method, City staff only negotiated with one (1) firm – the selected firm. Consequently, cost estimates/proposals for other firms have not been provided during this RFQ process. As part of the RFQ process, the city selects the most highly qualified firm and then attempts to negotiate a fair and reasonable price. If the City is unable to negotiate a contract or agreement with the most highly qualified firm, the city must end negotiations with that firm, and may attempt to negotiate with the second firm.

Options:

1. Approve the Interim Services Agreement with Stonehenge Holdings, LLC in an amount not to exceed \$214,000.
2. Amend the proposed agreement and then approve, which may require additional negotiations with the firm and consideration at a future City Council meeting.
3. Do not approve the proposed agreement and provide staff direction.
4. Other.

Attachment:

1. Proposed Interim Services Agreement

[InterimServicesAgreement_Final.pdf \(5,231 KB\)](#)

Motion & Voting

Motion to approve a proposed Interim Services Agreement for a regional park with Stonehenge Holdings, L.L.C., for services necessary for a public-private partnership for the development of a new regional park on City-owned property at the northwest corner of Villa Maria Road and South College Avenue (a.k.a. the former Municipal Golf Course and other property) and certain other City-owned property for a total fee in an amount not to exceed \$214,000, inclusive of labor, travel expenses, supervision, reporting, and document production as outlined in the proposed Agreement.

Deputy City Manager Hugh Walker presented information regarding this proposed agreement. Councilmembers expressed confidence in Stonehenge to facilitate the process.

Motion by Mike Southerland, second by Greg Owens.

Final Resolution: Motion Carries

Aye: Andrew Nelson, Buppy Simank, Greg Owens, Mike Southerland, Prentiss Madison, Reuben Marin, Brent Hairston