

Agenda Item Details

Meeting	Dec 22, 2020 - Bryan City Council Special Meeting
Category	4. Statutory (Automatic Approval) Agenda - This agenda consists of items previously approved by Council action such as adoption of items that are part of an approved budget or capital improvement projects, first and only readings of ordinances, interlocal agreements, or action that is required by law or delegated to the City Manager. Items may be removed from the statutory agenda for separate consideration at the request of two Councilmembers.
Subject	D. Authorize the Mayor to execute a Facility Management Agreement with Sports Facilities Management, L.L.C., for services in connection with the pre-opening operational set-up and the post-opening ongoing management of the Travis Bryan Midtown Park Sports and Event Center in an amount not to exceed \$350,000 pre-opening and \$276,000 annually (plus management incentives) for the management of the facility
Type	Action (Statutory)
Preferred Date	Dec 16, 2020
Absolute Date	Dec 16, 2020
Fiscal Impact	Yes
Dollar Amount	1,730,000.00
Budgeted	Yes
Budget Source	Midtown Park Bonds
Goals	Quality of Life Infrastructure Economic Development

Summary:

Last year, City staff had discussions with entities that have indoor facilities similar to the Sports & Event Center planned for the Travis Bryan Midtown Park. These entities recommended engaging a firm to provide advisory services during the design process to better ensure design elements of the facility meet operational expectations for local, regional, state, and possibly national events.

On October 4, 2019, the City released Request for Qualifications (RFQ) #20-008, Advisor/Operator for Sports & Event Center and related park amenities to provide advisory and operating expertise. By the submission deadline (October 14, 2019), the City received one (1) response to the RFQ. The sole response was from Sports Facilities Management, LLC (SFM); the firm has an affiliated company, Sports Facilities Advisory, LLC (SFA). To have comparison proposals, City staff recommended rejecting the sole response, which the City Council did on January 14, 2020.

City staff issued a Request for Proposals (RFP#20-018) on December 27, 2019, similar to the RFQ, but with a requirement for proposers to include an estimated fee or cost component. Additionally, City staff hoped more firms would respond, and two (2) responses were received in response to the RFP: one from SFM/SFA and the other from American Sports Centers (ASC) of California. As a result of the additional response to this RFP, City representatives traveled to Arizona in mid-March 2020 to visit the facility owned by the City of Avondale, Arizona and operated by ASC.

After the Avondale site visit and reviewing information, the RFP Submittal Review Committee recommended SFM as the selected firm based on their experience in consulting on the front end of the design of facilities, pricing, track record managing facilities owned by municipalities, and their management strategy appearing to be sensitive to the balance of "heads-in-beds" (economic impact) and local citizen usage. On May 12, 2020, the City Council approved a consulting agreement with SFM to help the City/Design Team with the Sports & Event Center design and construction. On July 2, 2020, the City Council approved a Design-Build Contract with SpawGlass Holdings, L.P. SFM's expertise during the design-build process has been invaluable.

For this Council Action Form, the proposed Management Agreement with SFM includes the Pre-Opening and Post-Opening ongoing management. A summary of the term, scope, and fees are as follows:

- Pre-Opening operational set-up:
 - Term of the agreement: From the effective date of the agreement to the close of the day before the grand opening (first day of business operations for which the facility is open to the public)
 - Scope of work:
 - Sourcing, hiring, and placement of a full-time leadership team
 - Set-up of the operating systems, facility management software, standard operating procedures (SOP's), operating manuals, etc.
 - Develop a regional and national marketing and business development plan
 - Lead business development and events booking efforts to secure events and agreements for use prior to opening
 - Grand Opening Events Planning
 - Sponsorship sales effort to engage community businesses
 - Support a wide range of community events, meetings, communication, reporting, project management, and other activities that dominate the development and pre-opening
 - Pre-Opening fees:
 - City of Bryan shall pay \$350,000 to SFM
 - Payment 1 in the amount of \$122,000 shall be due upon project kickoff
 - Payment 2-20 in equal monthly payments of \$12,000 shall be due first of each month following the execution of the agreement
- Post-Opening ongoing full-time management:
 - Term of the agreement: From grand opening plus five (5) years
 - Scope of work includes:
 - Creation and annual review/updating of business plan, marketing action plan, and budgets
 - Website optimization and social media PR campaign
 - Tradeshow and conference schedule (as applicable)
 - Direct sales and direct calls to event and tournament organizers
 - Integration and collaboration with City of Bryan Parks & Recreation Department and Destination Bryan
 - Site-specific tournament and event development

- Post-opening Fees:

- Yearly \$276,000 base fee (\$23,000 per month)
 - Last six months of the five-year term paid upon execution of the agreement equal to \$138,000
- Monthly deferred management incentive based on 3% of gross proceeds after the facility achieves its first \$500,000 in gross revenue in any given operating year
- Annual deferred management incentive based on customer satisfaction that could range up to \$22,500 annually
- Twenty percent (20%) of cost savings for approved budgeted sponsorship and advertising gross sales. Also includes budgeted equipment donated as a sponsorship effort by a vendor or supplier, such as scoreboards, fencing, or other facility equipment (all sponsorships greater than \$10,000 must be approved by the City)
- Ten percent (10%) of gross sales for facility naming rights (on only those approved by the City)

Other important points in the agreement include:

- This agreement may be extended for one (1) additional five (5) year term following the expiration of the initial term
- The City of Bryan will maintain ownership of the facility
- City shall pre-approve management level employees
- All facility staff and other personnel are employees of SFM and are paid from the operating account
- All contracts that include purchasing of supplies, service contracts and revenue generating contracts and other agreements relating to the day-to-day operation of the facility will be between the vendor and SFM and will not be for a term longer than one (1) year
- City to approve all contracts greater than \$5,000
- All operating expenses are covered by the City and will be approved by the City Council in the annual budget
- City Council to approve all facility naming

Staff Analysis and Recommendation:

The firm, SFM, has extensive experience in the sports and tourism industry. Examples of their involvement with similar facilities include: Hoover (AL) Metropolitan Complex, Rocky Mount Event Center, Rocky Mount, (NC), Sand Mountain Park (Albertville, AL), Panama City Beach (FL) Sports Complex, Cedar Point Sports Center (Sandusky, OH), and Rocky Top Sports World (Gatlinburg, TN). Additionally, SFM is familiar with the City's project and worked on proforma details as a member of the Stonehenge Holdings, L.L.C. team.

To better ensure the successful operation of the Sports & Event Center, staff recommends approving the agreement with Sports Facility Management, LLC in the amount of \$350,000 for the Pre-Opening and \$276,000 annually (plus management incentives) for the Post-Opening ongoing full time management.

Options:

1. Approve the Facility Management Agreement with Sports Facilities Management, LLC
2. Amend and then approve the Facility Management Agreement with Sports Facilities Management, LLC, which may require additional discussions with SFM and consideration at a future City Council meeting
3. Do not approve the Facility Management Agreement with Sports Facilities Management, LLC, and provide direction to staff
4. Take other action and/or provide staff direction

Attachments:

1. Proposed Facility Management Agreement with Sports Facilities Management, LLC (available for viewing in City Secretary's Office)
2. RFP#20-018 Advisor Operator for Sports & Event Center and Related Park Amenities

3. Sports Facilities Management Advisory & Operator submittal response to RFP#20-018 dated January 30, 2020

[RFP_ 20-018 SportEventCenter_AdvisoryOperations.pdf \(3,017 KB\)](#)

[SFM_Bryan RFQ 2020 Final.pdf \(12,792 KB\)](#)