



PUBLIC FACILITIES AUTHORITY

Rusty Paul, Chairperson

John Paulson
Ken Dishman
Chris Burnett
Gabriel Sterling
Tibby DeJulio
Andy Bauman

Tuesday, December 19, 2017

Public Facilities Authority

Following the Regular Meeting

SPECIAL CALLED MEETING OF THE CITY OF SANDY SPRINGS PUBLIC FACILITIES AUTHORITY (THE “AUTHORITY”)

City Council Chambers

1. **PFA17-66** **CALL TO ORDER** – Chairperson Rusty Paul
2. **PFA17-67** **ROLL CALL** – Secretary Michael Casey
3. **PFA17-68** **APPROVAL OF MEETING AGENDA**

NEW BUSINESS

4. **PFA17-69** Approval of the minutes from the December 5, 2017 Public Facilities Authority meeting
5. **PFA17-70** Resolution to Increase the Guaranteed Maximum Price for Construction of the City Springs Project, as Established by Change Order #14 Pursuant to the Provisions of a Certain Contract for Construction Between the City of Sandy Springs, GA and Holder Construction Group, LLC, Dated June 30, 2015, and to Authorize the General Manager to Execute the Change Order (Change Order #14)
(Presented by John McDonough, General Manager)
6. **PFA17-71** Consideration of Notice of Termination/Reduction of Premises for that certain Lease Agreement, as amended, between Morgan Falls Realty, LP and the City of Sandy Springs Public Facilities Authority
(Presented by John McDonough, General Manager)



7. **PFA17-72** City Springs Budget Amendment
(Presented by John McDonough, General Manager)
8. **PFA17-73** A Resolution to approve rental rates for the performing arts facility at City Springs; to provide for a sliding rental rate scale for the performing arts facility for local and regional Affiliate Groups based on the volume of events; to provide an effective date and other purposes
(Presented by Michael Enoch, PAC General Manager)
9. **PFA17-74** **ADJOURNMENT**

City Springs Update

December 19, 2017



SANDY SPRINGS
GEORGIA



Budget and Cost

- Review of contingency
- Approval of Change Order 14

Project Revenues

Funding Sources	Total Budget	Funded through 10/31/2017	Balance to Fund
Pay As You Go	\$27,500,000	\$32,500,000	(\$5,000,000)
Available City Center Fund	\$9,812,000	\$9,812,000	\$0
Land Sale Escrow	\$9,000,000	\$4,475,370	\$4,524,630
Use of Fund Balance	\$5,000,000	\$0	\$5,000,000
Bond Issuance	\$171,400,000	\$171,400,000	\$0
Interest Income	\$0	\$697,865	(\$697,865)
	\$222,712,000	\$218,885,235	\$3,826,765

Project Expenditures

Cost Uses	Total Budget	Funded through 10/31/2017	Balance to Fund
Construction	\$193,884,920	\$136,765,979	\$57,118,941
Consulting	\$17,175,808	\$16,372,292	\$803,516
Special Costs	\$10,945,260	\$9,949,228	\$996,032
Owner Contingency	\$706,012	\$0	\$706,012
	\$222,712,000	\$163,087,498	\$59,624,502

Change Order 14

- Scope/value additions
 - Slip ramp drainage upgrades
 - Restroom revisions
 - Misc. interior revisions
 - HVAC adjustments
 - Door hardware/security coordination
- No change to construction duration at this time
- Transfer of Contingency: \$384,093

Pending Costs

Previous Contingency	\$706,012
Change Order 14	\$384,093
Pending Exposures	<u>\$1,755,734</u>
Total Exposures	\$2,139,827
Net Contingency	-\$1,433,815
Construction Contingency	<u>\$589,423</u>
Projected Contingency	-\$844,392

Schedule – no change

ACTIVITY DESCRIPTION	ESTIMATED DATE OF COMPLETION
<i>Performing Arts Center</i>	
Certificate of Occupancy	Summer 2018
<i>Office Building / Studio</i>	
Certificate of Occupancy	Summer 2018
<i>Park</i>	
Civic Roads/Hardscape Complete	Winter 2017
Civic Final Plantings	Spring 2018
<i>Private Development</i>	
Private Development Roads/Hardscape Complete	Q1 2018

* Schedule evaluation is in progress, with projections based on exposures known to date

Amended Project Expenditures

Cost Sources	Total Budget	Amended Budget	Budget Change
Construction	\$193,884,920	\$194,269,013	\$384,093
Consulting	\$17,175,808	\$17,175,808	\$0
Special Costs	\$10,945,260	\$10,945,260	\$0
Owner Contingency	\$706,012	\$321,919	(\$384,093)
	\$222,712,000	\$222,712,000	\$0

Questions

TO: Members of the City of Sandy Springs Public Facilities Authority ("PFA")

FROM: John McDonough, General Manager of the PFA, and City Manager of the City of Sandy Springs ("City")

DATE: November 30, 2017 for submission on the December 19, 2017 PFA Meeting agenda

ITEM: RESOLUTION TO INCREASE THE GUARANTEED MAXIMUM PRICE FOR CONSTRUCTION OF THE CITY SPRINGS PROJECT, AS ESTABLISHED BY CHANGE ORDER #14 PURSUANT TO THE PROVISIONS OF A CERTAIN CONTRACT FOR CONSTRUCTION BETWEEN THE CITY OF SANDY SPRINGS, GA AND HOLDER CONSTRUCTION GROUP, LLC, DATED JUNE 30, 2015, AND TO AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE CHANGE ORDER

Background and Discussion:

On June 16, 2015 at regular Council meeting, City Council adopted a resolution approving a certain Contract for Construction ("Contract") between the City (subsequently assigned to the PFA) and Holder Construction Group, LLC ("Holder") for constructing the City Springs project ("Project").

Pursuant to the Contract, Holder agreed that the cost to the City of performing the work under the Contract, including the cost of the work described in the Contract, the general conditions costs, and Holder's fee, shall not exceed the Guaranteed Maximum Price ("GMP"), as established by change order pursuant to the Contract. The Contract further provides that the establishment of the GMP shall be accomplished by written change order ("GMP Change Order").

The Contract further provides that an adjustment to the GMP may be made as authorized by written change order. On February 16, 2016, Council approved a GMP value of \$180,057,353.00 for the Project. The GMP value was established by a GMP Change Order dated February 16, 2016, in accordance with Contract provisions.

On August 16, 2016, Council again approved an increase to the GMP by Change Order #5, resulting in a GMP value of \$188,956,290.00 for the Project. The increase was requested due to: transfers from the City held budgets for equipment, design evolution/completion, differing site conditions, and scope changes.

In October of 2016, Change Order #6 was executed by the City. Change Order #6 granted a time extension of forty-two (42) days; however, there was no increase to the GMP value.

The Contract was assigned by the City to the PFA in June of 2016, and on March 21, 2017, the PFA approved the actions taken by the City in Change Orders #5 and #6.

On March 7, 2017, the PFA approved Change Order #7, which increased the GMP value by the amount of \$2,854,088.00, for a new GMP value of \$191,810,378.00, and granted a time extension for fifty-six (56) calendar days. The overall budget for the Project was not increased by Change Order #7.

On May 2, 2017, the PFA approved Change Order #8, which increased the GMP by \$875,315.00, for a new GMP value of \$192,685,693.00.

On June 6, 2017, the PFA approved Change Order #9, which increased the GMP by \$19,921.00, for a new GMP value of \$192,705,614.00.

On July 18, 2017, the PFA approved Change Order #10, which decreased the GMP by \$352,722.00, for a new GMP value of \$192,352,892.00.

On August 15, 2017, the PFA approved Change Order #11, which increased the GMP by \$273,195.00, for a new GMP value of \$192,626,087.00.

On September 19, 2017, the PFA approved Change Order #12, which increased the GMP by \$946,031.00, for a new GMP value of \$193,572,118.00.

On October 17, 2017, the PFA approved Change Order #13 which increased the GMP by \$312,802.00, for a new GMP value of \$193,884,920.00.

Holder has now requested approval of Change Order #14 pursuant to the terms of the Contract, which will increase the GMP by \$384,093.00, for a new GMP value of \$194,269,013.00. Such GMP increase is for scope/value additions, including: slip ramp drainage upgrades; restroom revisions; miscellaneous interior revisions; HVAC adjustments; and door hardware/security coordination.

While the GMP value is increased by Change Order #14, the overall budget for the Project is not increased and there is no adjustment to construction duration at this time.

When Change Order #14 is executed, the increase to the GMP will effectively be added to the Contract. A copy of Change Order #14 is attached to the Resolution.

Recommendation:

Project consultants and the General Manager recommend that the PFA approve an increase to the GMP value of \$384,093.00, for a new GMP value of \$194,269,013.00, and further recommend that the PFA authorize the General Manager to execute Change Order #14.

Alternative:

Reject the recommendation and provide further instruction to the General Manager and consultants.

Attachments:

Resolution with attached Change Order #14.

**STATE OF GEORGIA
COUNTY OF FULTON**

RESOLUTION TO INCREASE THE GUARANTEED MAXIMUM PRICE FOR CONSTRUCTION OF THE CITY SPRINGS PROJECT, AS ESTABLISHED BY CHANGE ORDER #14 PURSUANT TO THE PROVISIONS OF A CERTAIN CONTRACT FOR CONSTRUCTION BETWEEN THE CITY OF SANDY SPRINGS, GA AND HOLDER CONSTRUCTION GROUP, LLC, DATED JUNE 30, 2015, AND TO AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE CHANGE ORDER

WHEREAS, on June 16, 2015 at regular Council meeting, City Council adopted a resolution approving a certain Contract for Construction ("Contract") between the City of Sandy Springs, GA ("City") and Holder Construction Group, LLC ("Holder") for constructing the City Springs project ("Project"); and

WHEREAS, pursuant to the Contract, Holder agreed that the cost to the City of performing the work under the Contract, including the cost of the work described therein, the general conditions costs, and Holder's fee, shall not exceed the Guaranteed Maximum Price ("GMP"), as established by change order pursuant to the Contract; and

WHEREAS, on February 16, 2016, City Council approved a GMP of \$180,057,353.00 for the Project by change order, in accordance with Contract provisions; and

WHEREAS, the Contract provides that an adjustment to the GMP may be made as authorized by written change order; and

WHEREAS, on August 16, 2016, Council again approved an increase to the GMP by Change Order #5, resulting in a GMP value of \$188,956,290.00 for the Project for transfers from the City held budgets for equipment, design evolution/completion, differing site conditions, and scope changes; and

WHEREAS, in October of 2016, Change Order #6 was executed by the City, which granted a time extension of forty-two (42) days but did not increase the GMP value; and

WHEREAS, the Contract was assigned by the City to the PFA in June of 2016, and on March 21, 2017, the PFA approved the actions taken by the City in Change Orders #5 and #6; and

WHEREAS, on March 7, 2017, the PFA approved Change Order #7 which increased the GMP value by the amount of \$2,854,088.00, for a new GMP value of \$191,810,378.00, and granted a time extension for fifty-six (56) calendar days; and

WHEREAS, on May 2, 2017, the PFA approved Change Order #8 which increased the GMP by \$875,315.00, for a new GMP value of \$192,685,693.00; and

WHEREAS, on June 6, 2017, the PFA approved Change Order #9 which increased the GMP by \$19,921.00, for a new GMP value of \$192,705,614.00; and

WHEREAS, on July 18, 2017, the PFA approved Change Order #10 which decreased the GMP by \$352,722.00, for a new GMP value of \$192,352,892.00; and

WHEREAS, on August 15, 2017, the PFA approved Change Order #11 which increased the GMP by \$273,195.00, for a new GMP value of \$192,626,087.00; and

WHEREAS, on September 19, 2017, the PFA approved Change Order #12 which increased the GMP by \$946,031.00, for a new GMP value of \$193,572,118.00; and

RESOLUTION NO. 2017-_____

WHEREAS, on October 17, 2017, the PFA approved Change Order #13 which increased the GMP by \$312,802.00, for a new GMP value of \$193,884,920.00; and

WHEREAS, Holder has now requested approval of Change Order #14 pursuant to the terms of the Contract, which will increase the GMP by \$384,093.00, for a new GMP value of \$194,269,013.00; and

WHEREAS, such GMP value increase is for scope/value additions, including: slip ramp drainage upgrades; restroom revisions; miscellaneous interior revisions; HVAC adjustments; and door hardware/security coordination; and

WHEREAS, Change Order #14 will not increase the overall budget for the Project and will not adjust the construction duration at this time; and

WHEREAS, Change Order #14, when executed, will effectively be added to the Contract; and

WHEREAS, Project consultants and the General Manager recommend that the PFA approve an increase in the GMP value, as described in the attached Change Order #14; and

WHEREAS, Project consultants and the General Manager further recommend that the PFA authorize the General Manager to execute the attached Change Order #14; and

WHEREAS, the PFA desires to approve Change Order #14, as recommended, and to authorize the General Manager to execute Change Order #14.

NOW, THEREFORE, BE IT RESOLVED by the City of Sandy Springs Public Facilities Authority, as follows:

1. An increase to the GMP of \$384,093.00, for a new GMP value of \$194,269,013.00, is hereby approved; and
2. The attached Change Order #14 is hereby approved; and
3. The General Manager of the PFA is hereby authorized to execute the attached Change Order #14; and
4. The General Manager and the attorney for the PFA are hereby authorized to make such minor revisions to Change Order #14 as may be deemed reasonable, necessary, and in the best interest of the PFA prior to execution by the General Manager, and will promptly report any revisions to members of the PFA; and
5. The General Manager and the attorney for the PFA are hereby authorized to take such actions deemed necessary or prudent to effectuate the intent of this resolution.

RESOLVED this the 19th day of December, 2017.

Approved:

Russell K. Paul, Chairman

Attest:

Michael D. Casey, Secretary

(Seal)

ATTACHMENT
CHANGE ORDER #14

CHANGE ORDER

PROJECT NAME: CITY OF SANDY SPRINGS, GA, CITY SPRINGS PROJECT (Formerly referred to as CITY CENTER PROJECT)

OWNER: CITY OF SANDY SPRINGS PUBLIC FACILITIES AUTHORITY successor in interest to THE CITY OF SANDY SPRINGS, GEORGIA, by assignment

CONSTRUCTION MANAGER: HOLDER CONSTRUCTION GROUP, LLC

DATE OF AGREEMENT: JUNE 30, 2015

DATE OF THIS CHANGE ORDER: DECEMBER 19, 2017

CHANGE ORDER NUMBER: 014

The Agreement between Owner and Construction Manager (the "Agreement") is changed as follows:

1. Pursuant to Sections 5.3 and 7.2 of the Agreement and Section 11.1.3 of the General Conditions, the Guaranteed Maximum Price and Contract Time are adjusted, as set forth in this Change Order, for the changes in the Work set forth in the following Bulletins and ASIs issued by Rosser International, Inc.:

-) ASI #090 dated 5/26/17
-) ASI #092 dated 6/14/17
-) ASI #095 / 095.1 dated 7/6/17 and 8/14/17
-) ASI #100 dated 7/20/17
-) Bulletin #035 dated 6/22/17
-) Bulletin #038 dated 8/14/17

including other miscellaneous changes referenced in the COR's identified below.

The adjustments to the Guaranteed Maximum Price and Contract Time made by this Change Order are based upon the following COR's issued by Construction Manager. The COR's are identified herein for reference and to clarify the bases of the adjustments to the Guaranteed Maximum Price and Contract Time only and are not incorporated into the Contract and are not Contract Documents.

COR's and back-up 257, 259, 271, 277, 299, 301, 329, 330, 332, 339, 341, 348, 353, 356, 365, 366, 367, 371, 379, 387, 388, 389, 390, 395, 416, 437, 485, and 492.

The Owner and Construction Manager expressly acknowledge and agree that the changes in the Work and the adjustments to the Guaranteed Maximum Price made by this Change Order are subject to the clarifications and exclusions identified by the Construction Manager in each of the foregoing COR's.

2. The Owner and Construction Manager acknowledge the Owner's acceptance of the following Contingency Authorizations issued by the Construction Manager: COR 330, CA-016, CA-025, CA-048, CA-053, CA-062, and COR 485.
3. Unless otherwise defined herein, all capitalized terms used in this Change Order shall have the meanings ascribed to them in the Agreement. Except as expressly changed herein, all terms and conditions of the Agreement shall remain unchanged and in full force and effect.

The Contract Time is hereby [~~increased~~] [~~decreased~~] [~~unchanged~~] by the following number of calendar days: 0 days

The Construction Manager hereby waives and releases any claim it may have against the Owner for any adjustment in Contract Time resulting from, or related to, the change in this Change Order, except as agreed above.

The Contract Sum / GMP is hereby [~~increased~~] [~~decreased~~] by \$384,093.00

The Construction Manager hereby waives and releases any claim it may have against the Owner for any adjustment in the Contract Sum / GMP arising out of, or related to, the changes reflected in this Change Order, including, but not limited to, any claim for damages due to delay, disruption, hindrance, impact, interference, inefficiencies or extra work arising out of, resulting from, or related to, the change reflected in this Change Order, except as agreed to above.

Original Contract Sum / GMP: \$12,631,702.00

Net Change by Previous Change Orders: \$181,253,218.00

Contract Sum / GMP before this Change Order: \$193,884,920.00

Increase in this Change Order: \$384,093.00

Contract Sum / GMP, as adjusted by this Change Order: \$194,269,013.00

[~~Increase~~] [~~Decrease~~] in Contract Time: 0 days

Upon execution of this Change Order by Owner and Construction Manager, the above referenced change shall become a valid and binding part of the original Agreement without exception or qualification, unless noted in this Change Order.

Owner

Construction Manager

By: _____

By: _____

Date: _____

Date: _____



SANDY SPRINGS

GEORGIA

TO: City of Sandy Springs Public Facilities Authority Board

FROM: John McDonough, General Manager

DATE: December 8, 2017, for submission onto the December 19, 2017 Public Facilities Authority Meeting Agenda

ITEM: Consideration of Notice of Termination/Reduction of Premises for that certain Lease Agreement, as amended, between Morgan Falls Realty, LP and the City of Sandy Springs Public Facilities Authority

Recommendation:

The General Manager recommends the Board approve the attached Notice of Termination/Reduction of Premises for the current City Hall located at 7840 Roswell Road, Suite 500.

Background:

In 2018, the City will be moving its City Hall to a new location inside the City Springs complex. The City expects the move to be completed by July 1, 2018.

Discussion:

Under the current City Hall lease, the Public Facilities Authority may reduce its leased premises by up to 50,307 square feet on one of four dates each year (January 1, April 1, July 1 and October 1), provided the Public Facilities Authority gives the property manager six (6) months written notice. City staff has determined that it needs to retain 19,261 square feet at the current City Hall to continue housing its Municipal Court Facility, which would allow the Public Facilities Authority to reduce its leased space at the current City Hall by a total of 41,798 square feet.

Therefore, if the Board wishes to reduce the leased premises by 41,798 square feet on July 1, 2018, then written notice to the landlord is required by January 1, 2018. Attached is a draft of the Notice of Termination/Reduction of Premises letter for your consideration.

Alternatives:

The Board could decide not to approve the reduction of premises at the current City Hall.

Attachments:

- Notice letter



SANDY SPRINGS

GEORGIA

December 19, 2017

VIA E-MAIL AND CERTIFIED MAIL, RETURN RECEIPT REQUESTED, POSTAGE
PREPAID

A. Boyd Simpson, Manager
Morgan Falls Realty General Partner, LLC
on behalf of Morgan Falls Realty, LP

Re: Notice of Termination/Reduction of Premises for that certain Lease Agreement, as Amended (hereinafter, the "Agreement") between Morgan Falls Realty, LP (hereinafter, "Landlord"), and the City of Sandy Springs Public Facilities Authority (hereinafter, "Tenant")

Mr. Simpson:

Capitalized terms used herein but not defined shall have the meaning ascribed to them in the Agreement.

This letter shall serve as written notice that Tenant elects to reduce the Premises by a total of 41,798 square feet beginning on July 1, 2018 in accordance with Section 7 of that certain Fifth Amendment to Lease dated May 13, 2014 (the "Fifth Amendment"). Pursuant to the Fifth Amendment, the Tenant will continue to lease 19,261 square feet of the Premises within Building 500 during the remainder of the Renewal Term, which remaining portion shall include the portion of the Building marked as Suites 501 and 510 on Exhibit "A", attached hereto and incorporated herein by this reference.

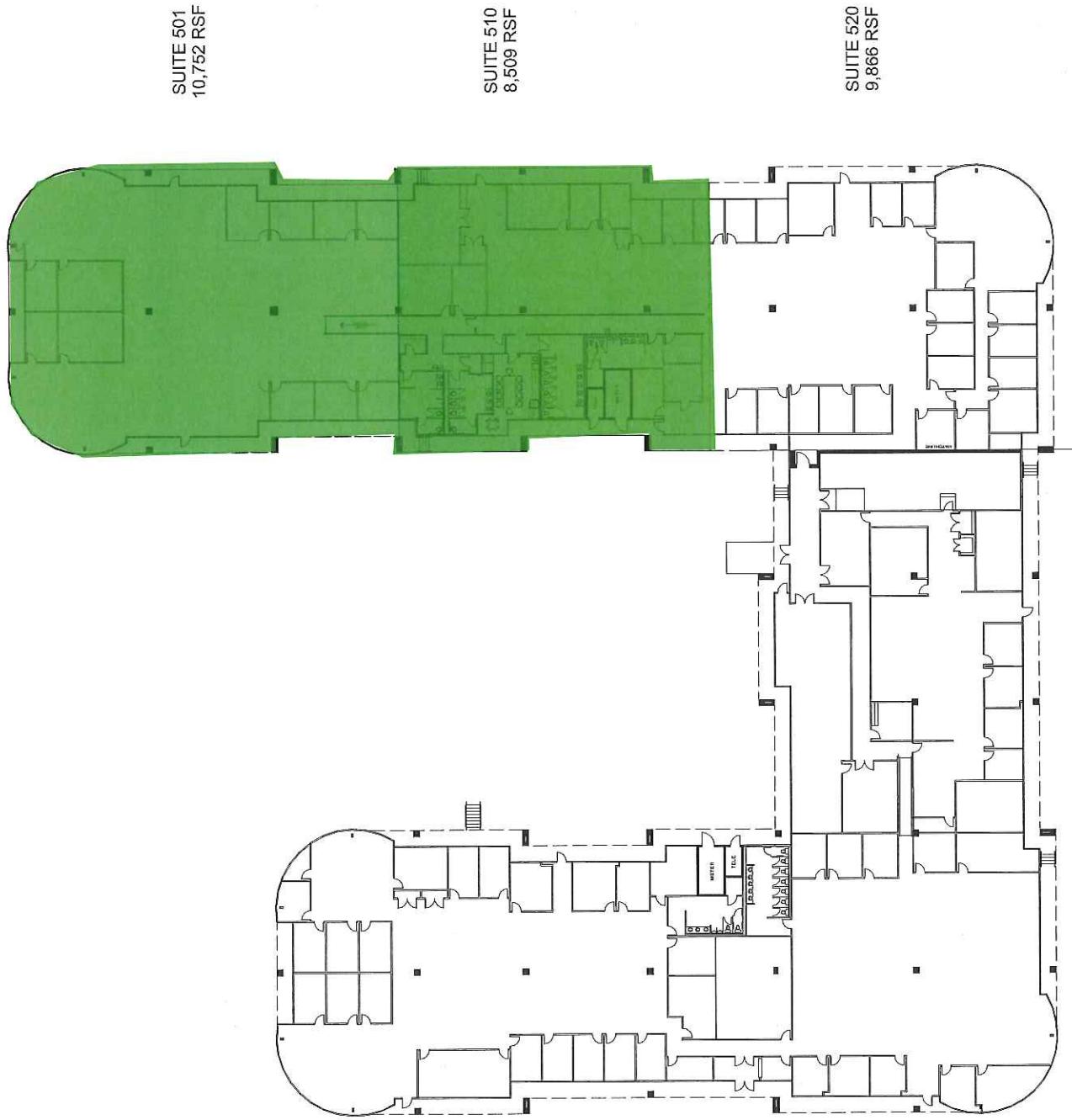
Please let me know if you have any questions.

Best Regards,

Russel K. Paul, Chairman
Sandy Springs Public Facilities Authority

Attachments (1)

EXHIBIT A



MORGAN FALLS -- BUILDING 500



To: John McDonough, City Manager

From: Karen Ellis, Finance Director

Date: December 15, 2017 for Submission onto the December 19, 2017 City Council Meeting

Subject: Budget Amendment for the Public Facilities Authority City Springs Capital Budget

Background:

When a capital budget is adopted, it supports assumptions at that certain point in time. As the project progresses, variances may arise between what was budgeted to be received or expended and what has actually been received or expended. This amendment will provide for a true-up to what the Authority anticipates will occur through the end of the project, scheduled for FY 2019.

Discussion:

Because budgeting is not an exact science, this amendment is necessary to create a more accurate presentation of the City Springs Project. Large variances must be explained to both external auditors and the State Department of Audits. Amendments of this type are routinely made to adjust for actual outcomes and Staff is recommending approval of the proposed amendment.

STATE OF GEORGIA
COUNTY OF FULTON

**RESOLUTION TO AUTHORIZE AMENDING THE CITY SPRINGS CAPITAL BUDGET
OF THE CITY OF SANDY SPRINGS PUBLIC FACILITIES AUTHORITY**

WHEREAS, the City of Sandy Springs Public Facilities Authority has reviewed its project budget for the City Springs Capital Project; and

WHEREAS, Unreserved Fund Balance surplus has been identified in the City's general fund over and above the adopted reserve requirement.

NOW, THEREFORE, BE IT RESOLVED BY THE CHAIR AND MEMBERS OF THE CITY OF SANDY SPRINGS PUBLIC FACILITIES AUTHORITY, GEORGIA

That they hereby amend the FY 2018 budget as follows:

1. Allocate \$5,750,000 from the City's General and Capital Funds as set forth in Exhibit A to increase the Transfer from City General Fund and Capital Projects Fund for construction, professional services, and contingency related to the City Springs capital project;
2. Allocate \$750,000 from the bond interest earnings as set forth in Exhibit A to increase the Interest Income; and
3. Allocate \$6,500,000 to costs among various budget lines as set forth in Exhibit A and attached hereto.

RESOLVED this the 19th day of December, 2017.

Approved:

Russell K. Paul, Chairman

Attest:

Michael Casey, Secretary

(Seal)



PUBLIC FACILITIES AUTHORITY CITY SPRINGS PROJECT BUDGET AMENDMENT

SOURCES

	Approved Budget	2018 Adjustment	Amended Budget	Comments
Pay As You Go	27,500,000	5,750,000	33,250,000	<i>XFr in from City GF and CP</i>
Available City Center Funds	9,812,000	0	9,812,000	
Land Sale Escrow	9,000,000	0	9,000,000	
Use of Fund Balance	5,000,000	0	5,000,000	
Bond Issuance	171,400,000	0	171,400,000	
Interest Income	0	750,000	750,000	<i>Realized interest income</i>
ADJUSTMENT TOTAL	\$222,712,000	\$6,500,000	\$229,212,000	

USES

	Approved Budget	2018 Adjustment	Amended Budget	Comments
Construction	194,266,561		194,266,561	
Consulting	17,175,808		17,175,808	
Special Costs	10,945,260		10,945,260	
Contingency	324,371	6,500,000	6,824,371	<i>Allows for construction/consulting increases</i>
ADJUSTMENT TOTAL	\$222,712,000	\$6,500,000	\$229,212,000	

EXHIBIT A



TO: City of Sandy Springs Public Facilities Authority Board

FROM: Michael Enoch, Performing Arts Center General Manager

DATE: December 13, 2017, for submission onto the December 19, 2017 Public Facilities Authority meeting agenda

ITEM: A Resolution to approve rental rates for the performing arts facility at City Springs; to provide for a sliding rental rate scale for the performing arts facility for local and regional Affiliate Groups based on the volume of events; to provide an effective date and other purposes

Recommendation:

City staff recommends the Council approve the proposed rental rates for the Performing Arts Facility ("PAC") in the City Springs complex ("City Springs").

Background:

As part of the industry standard in the contracting of events, certain classes of licensees are given rate discounts based upon the volume of business they supply. Enticing local and regional groups to become volume users can help to strengthen the City's relationship with such groups and provide a consistent outlet to promote economic activity that benefits the City Springs complex and the wider Sandy Springs community.

Discussion:

PAC management has proposed the attached rental rates for the PAC to include a sliding scale of discounted rental rates based on volume of bookings that can be offered to organizations which have been granted Affiliate Group status. Having received favorable feedback from legal counsel and management, staff is seeking the approval of the Board.

Alternatives:

The Board could decide to not approve the rental rates for the PAC.

Attachments:

) Resolution

STATE OF GEORGIA
COUNTY FULTON

A RESOLUTION TO APPROVE RENTAL RATES FOR THE PERFORMING ARTS FACILITY AT CITY SPRINGS; TO PROVIDE FOR A SLIDING RENTAL RATE SCALE FOR THE PERFORMING ARTS FACILITY FOR LOCAL AND REGIONAL AFFILIATE GROUPS BASED ON THE VOLUME OF EVENTS; TO PROVIDE AN EFFECTIVE DATE AND FOR OTHER PURPOSES

WHEREAS, in 2012, the Sandy Springs City Council adopted a Master Plan for the development of a City center (“Project”), to be held in the name of the Sandy Springs Public Facilities Authority; and

WHEREAS, one of the goals for the Project was the creation of a unique, vibrant, walkable mixed-use development incorporating, among other things, meeting and entertainment options; and

WHEREAS, the Project, now branded “City Springs,” creates an appropriate setting for a new civic/cultural center that will contain multiple uses such as City offices and a performing arts facility; and

WHEREAS, the performing arts facility includes a new 1,100 seat state-of-the-art performance hall, a 300 seat studio theatre, an 800-person outdoor greenspace venue and multiple meeting rooms (together referred to herein as “PAC”) to be managed by outside consultants contracted with the Public Facilities Authority; and

WHEREAS, staff have developed standard PAC rental rates, attached hereto as Exhibit A, factoring in rental conditions as described in Exhibit B, attached hereto; and

WHEREAS, as part of the industry standard in the contracting of events, certain classes of licensees are given rate discounts based upon the volume of business they supply; and

WHEREAS, enticing local and regional groups to become volume users can help to strengthen the City’s relationship with such groups and provide a consistent outlet to promote economic activity that benefits the City Springs complex and the wider Sandy Springs community; and

WHEREAS, staff believes that to be competitive in enticing local and regional groups to become volume users, it is necessary to also adopt a sliding rate scale based on the volume of events that are supplied by an organization qualifying as an Affiliated Group pursuant to City policy.

NOW THEREFORE, BE IT RESOLVED by the Public Facilities Authority of the City of Sandy Springs, Georgia, and it is resolved by the authority of said Authority as follows:

1. That the rental rates for the PAC shown on Exhibit A attached hereto, factoring in rental conditions described in Exhibit B attached hereto, are hereby approved.

RESOLUTION NO. 2017-12-XX

2. That a sliding rental rate scale for Affiliated Groups at the PAC based on volume of events as shown on Exhibit C attached hereto are hereby approved.
3. That the General Manager is hereby authorized to take such action as necessary to effectuate the intent of this resolution.
4. This resolution shall become effective upon its adoption.

RESOLVED this the 19th day of December, 2017.

Approved:

Russell K. Paul, Chair

Attest:

Michael D. Casey, Secretary

(Seal)

EXHIBIT A

**RENTAL RATES FOR
PERFORMING ARTS FACILITY**

COMMERICAL GROUPS		
PERFORMANCE HALL	Performance or Event Days	\$3,500 per day plus expenses vs 10% NTS^
Performance Hall	Non-Performance Days	\$1,500 per day plus expenses
PAC Main Lobby	All Days	\$500 per day plus expenses
PAC Balcony Lobby	All Days	\$250 per day plus expenses
PAC Rehearsal Space	All Days	\$250 per day plus expenses
VIP Lounge	All Days	\$350 per day plus expenses
STUDIO THEATRE	All Days	\$1,200 per day plus expenses vs 10% NTS^
Studio Theatre Lobby	All Days	\$350 per day plus expenses
Studio Theatre Green Room	All Days	\$150 per day plus expenses
City Bar	All Days	\$ 950 per day plus expenses
Multipurpose Space 1/3 2/3 All		\$300 per day plus expenses \$600 per day plus expenses \$800 per day plus expenses
Meeting Room A		\$200 per day plus expenses
Meeting Room B		\$200 per day plus expenses
Boardroom A		\$175 per day plus expenses
Boardroom B		\$150 per day plus expenses
Boardroom C		\$100 per day plus expenses
Outside Terrace		\$800 per day plus expenses
City Green		\$1,500 per day plus expenses
PAC Plaza		\$500 per day plus expenses
Colonnade		\$ 500 per day plus expenses
MT VERNON HWY	Festival	\$1,500 per day plus expenses vs 10% NTS^
Mt Vernon Highway	Non-Event Day	\$750 per day plus expenses

NON-PROFIT 501(C) 3 & NON-COMMERCIAL GROUPS			
		Sunday – Thursday (50% Discount)	Friday – Saturday (25% Discount)
PERFORMANCE HALL	Performance or Event Days		\$2,600 per day plus expenses vs 10% NTS^
Performance Hall	Non-Performance Days		\$1,100 per day plus expenses
PAC Main Lobby (No Food)	All Days		\$375 per day plus expenses
PAC Balcony Lobby	All Days	\$125 per day plus expenses	\$175 per day plus expenses
PAC Rehearsal Space	All Days	\$125 per day plus expenses	\$175 per day plus expenses
VIP Lounge	All Days	\$175 per day plus expenses	\$250 per day plus expenses
STUDIO THEATRE	All Days		\$900 per day plus expenses vs 10% NTS^
Studio Theatre Lobby	All Days	\$250 per day plus expenses	\$250 per day plus expenses
Studio Theatre Green Room	All Days	\$175 per day plus expenses	\$115 per day plus expenses
City Bar	All Days		\$700 per day plus expenses
Multipurpose Space		\$150 per day plus expenses	\$225 per day plus expenses
1/3		\$300 per day plus expenses	\$450 per day plus expenses
2/3		\$400 per day plus expenses	\$600 per day plus expenses
All			
Meeting Room A		\$100 per day plus expenses	\$150 per day plus expenses
Meeting Room B		\$100 per day plus expenses	\$150 per day plus expenses
Boardroom A		\$85 per day plus expenses	\$125 per day plus expenses
Boardroom B		\$75 per day plus expenses	\$110 per day plus expenses
Boardroom C		\$50 per day plus expenses	\$75 per day plus expenses
Outside Terrace		\$400 per day plus expenses	\$600 per day plus expenses
City Green			\$1,100 per day plus expenses
PAC Plaza		\$250 per day plus expenses	\$375 per day plus expenses
Colonnade		\$250 per day plus expenses	\$375 per day plus expenses
MT VERNON HWY	Festival	\$750 per day plus expenses vs 10% NTS^	\$1,125 per day plus expenses vs 10% NTS^
Mt Vernon Highway	Non-Event Day	\$500 per day plus expenses	\$675 per day plus expenses

EXHIBIT B

**RENTAL CONDITIONS FOR
PERFORMING ARTS FACILITY**

Rental Conditions for Performing Arts Facility at Sandy Springs

*** Rent includes:**

-) Utilities
-) Basic Staffing (Event Manager, Production Manager, AV Tech)
-) In-house Marketing Elements
-) All items on our House Inclusion list per the contract agreement

**** Rent does not include:**

-) Part Time Staffing (ushers, stagehands, security, police, ticket sellers, EMTs, cleaning, electrician)
-) Technical Equipment
-) Box Office Fees
-) Outside marketing platforms and other variable expenses as agreed upon per the contract.
-) Street use permits as required for the closing and use of Mt. Vernon Highway

***** Meeting and Multipurpose Room rate discounts**

-) Negotiation based on F&B Catering Dollars Spent

****** NTS**

-) Equals Net Ticket Sales calculated as Gross Ticket Sales minus applicable Taxes exclusive of fees

Additional Conditions

-) The General Manager may negotiate rates dependent on market conditions.
-) The 50% discount rental rates for nonprofit and non-commercial groups can only be guaranteed within 60 days in advance of the event.
-) The rental rates are subject to re-approval each year, and run from July 1 – June 30.
-) Half Day and Hourly Rates are available for some spaces on request

Exhibit C

Affiliate Group rental rates

Proposed sliding scale based on volume of bookings

Organizations must commit to at least 6 events each year to be eligible for Affiliate status. Those organizations that book between 6-10 events annually receive a 10% discount; between 11-15 events a 15% discount, and 16 or more events a 20% discount.

Volume required for Discount	<i>1-5 events</i>	<i>6-10 events</i>	<i>11-15 events</i>	<i>16+ events</i>
Rental Rate / Discount level	Standard	10%	15%	20%
Performance Hall (show day)	\$2,600	\$2,340	\$2,210	\$2,080
Performance Hall (non-show day)	\$1,100	\$990	\$935	\$880