



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 34.

Agenda Date: 6/15/2017

In Control: City Council A Session

DEPARTMENT: Convention & Sports Facilities

DEPARTMENT HEAD: Michael J. Sawaya

COUNCIL DISTRICTS IMPACTED: Council District 2; City Wide

SUBJECT:

Authorization for contracts and amendments to License and Lease Agreements with the San Antonio Bowl Association. (S.A.B.A.) for Alamodome technology improvements

SUMMARY:

These ordinances authorize contracts and amendments to agreements for technology improvements in support of enhancing the public's experience in the Alamodome through technology improvements.

- A. An ordinance authorizing contracts with Computer Solutions dba Great South Texas Corporation in the amount of \$811,318.17 and Tero Technologies, Inc. in the amount of \$1,124,114.62 for the purchase, installation and configuration of a Public Wireless (Wi-Fi) system to be installed throughout the public and support areas of the Alamodome. Funding for this ordinance is available through the FY 2017 Mid-Year Adjustment for the Community and Visitor's Facilities Fund and the San Antonio Bowl Association (which is commonly referred to as the Valero Alamo Bowl).
- B. Amending both the License Agreement and Lease Agreement with the San Antonio Bowl Association (S.A.B.A.) to modify the term of the agreements; accept funds in the amount of \$950,000 from the San Antonio Bowl Association and appropriating \$854,669.58 to the Alamodome Public Wi-Fi System for a total project budget of \$3,854,669.58; and provide funding for additional technology enhancements at the Alamodome.

BACKGROUND INFORMATION:

The Alamodome is currently undergoing a \$52 million improvement project as part of the commitment to the NCAA to host the 2018 NCAA Men's Final Four Basketball tournament. While the current improvement scope meets the NCAA minimum requirements which were established in 2014, it does not address some important technology enhancements that would significantly improve the fan and attendee experience at the Alamodome. Furthering technology enhancements at the Alamodome above the minimum requirements will better enable the Alamodome to competitively bid on future NCAA and college football opportunities such as the College Football National Championship and distinguish the Alamodome from other comparable stadiums. These improvements include an expanded public Wi-Fi system, two additional video screens, and sound system upgrades. Additional funding to support these components, however, has been identified through the FY 2017 Mid-Year Budget Adjustment and in partnership with the Valero Alamo Bowl (VAB). The Valero Alamo Bowl conducted an analysis of their reserve funds and unanimously approved up to \$6M for improvements to the Alamodome that would positively affect the fan experience for the annual Valero Alamo Bowl. The Convention & Sports Facilities Department (CSF) identified \$3M in the 2017 Mid-Year Budget Adjustment for its Community and Visitors Facilities Fund that, when coupled with \$6M from S.A.B.A., provides \$9,000,000 for these additional improvements.

A. Wi-Fi Improvements

The Alamodome is seeking contract authority with Computer Solutions dba Great South Texas Corporation and Tero Technologies, Inc. for a Wi-Fi system to be installed at the Alamodome in advance of the NCAA inspection of the host site in early 2018.

The Wi-Fi system will be based on technologies that have been deployed at other state-of-the-art stadiums and will allow the Alamodome to deliver connectivity throughout the main seating areas as well as on the field. The City's Information Technology Services Department (ITSD) provided the appropriate design and deployment of a sophisticated Wi-Fi environment suitable for the Alamodome.

The contracts with Computer Solutions dba Great South Texas Corporation and Tero Technologies, Inc. for the installation and configuration of a Public Wireless (Wi-Fi) system to be installed throughout the public and support areas of the Alamodome is a total cost of \$1,935,432.79.

In addition, ITSD is leveraging existing authorized contracts to procure network equipment and supplies at a cost of \$1,919,236.79 bringing the Wi-Fi project total to \$3,854,669.58. The public Wi-Fi system will provide extended and improved public wireless connectivity to the attendees of events. The Wi-Fi enhancements will cover the full stadium and increase capacity from 3,500 simultaneously users to 65,000. Funding for this ordinance is being provided through adopted funds provided by the San Antonio Bowl Association and through funding available through the FY 2017 Mid-Year Adjustment for the Community and Visitor's Facilities Fund.

B. License and Lease Agreement Amendments

The Valero Alamo Bowl is hosted by the San Antonio Bowl Association and one of the most popular Bowl games in the country, producing some of the highest rated games in ESPN history. The Valero Alamo Bowl has drawn over one million spectators collectively since its beginning, and has generated in excess of \$250 million in direct economic impact locally.

The VAB will provide the City with \$950,000 for Wi-Fi upgrades. Additionally, the Valero Alamo Bowl will enter into a separate agreement with Turner Construction (Design Build Firm at the Alamodome) for up to \$3.5M for Video Boards and up to \$1.55M for sound system improvements at the Alamodome.

The License Agreement with the S.A.B.A. was approved in 2015 and the Lease Agreement was approved in

2009. The amendments to these agreements provide administrative clarifications, modify the term of the agreements and include a funding agreement for technology improvements to the Alamodome.

In exchange for the execution of a funding commitment provided by S.A.B.A. to support Wi-Fi enhancements, sound system improvements, and the addition of two new video boards in the Alamodome, the City proposes to include the following amendments to the License and Lease Agreement:

- Extend the term of the License Agreement from February 2019 to February 2030;
- Agree to revised amounts for game day expenses and parking lot buy-out;
- Memorialize the agreement that the S.A.B.A. contract with Turner Construction (Design Build Firm at Alamodome) for up to \$3.5M for Video Boards and up to \$1.55M for sound system improvements;
- Provide that the S.A.B.A. provide City \$950K for Wi-Fi upgrades;
- For purposes of the Texas Major Events Reimbursement Program (MERP), provides that the City will designate S.A.B.A. as the host organization for the Valero Alamo Bowl through 2029;
- The City will own all improvements upon completion;
- Exercises both available renewal terms to extend the lease through December 2029; and
- Exercise an extension agreement for rent-free office space through 2030.

ISSUE:

A. Wi-Fi Improvements

The City's ITSD and Convention and Sports Facilities Department have worked through the Finance Department - Purchasing Division to identify multiple existing City annual contracts to initiate the build-out process that is being finalized through these ordinances. Additional diligence was performed by all parties to secure contracts through local, small, woman-owned businesses that are Texas Department of Information Resources contract holders.

The City's ITSD has obtained a Statement of Work for the purchase, installation and configuration of a Wireless and Internet edge network for a Public Wi-Fi system utilizing the Texas Department of Information Resources DIR-TSO-2542 contract with Computer Solutions dba Great South Texas Corporation, a local Small (SBE) and Woman (WBE) owned enterprise. In addition, the City's ITSD has obtained a Statement of Work (SOW) for cabling services related to the purchase, installation and configuration of a Public Wi-Fi system utilizing the Texas Department of Information Resources DIR-TSO-2542 contract with Tero Technologies, a local Small (SBE) and Woman (WBE) owned enterprise.

ALTERNATIVES:

It is critical that Wi-Fi connectivity be enhanced to accommodate the demands of hosting 70,000 patrons for the 2018 Final Four Men's Basketball Championship and to meet the growing needs of the Alamodome's long term tenant, the University of Texas at San Antonio (UTSA), as well as the recurring Valero Alamo Bowl. Additionally, the Alamodome has event commitments throughout every calendar year that require a competitive and functional Wi-Fi system. Lastly, in order to remain technologically relevant and to continue to attract certain major events in the future, the facility will be required to have this enhanced Wi-Fi system, sound system and the video displays.

Other alternatives include directing staff to renegotiate the terms of the amendments, or to not approve the amendments to these Agreements with S.A.B.A. This would result in the potential loss of \$6 million in technology and other improvements needed to enhance the Alamodome.

FISCAL IMPACT:

- A. This ordinance authorizes contracts with Computer Solutions dba Great South Texas Corporation in an amount not to exceed \$811,318.17 and Tero Technologies, Inc. in an amount not to exceed \$1,124,114.62 for the purchase, installation and configuration of a Public Wi-Fi system at the Alamodome. Funding is available through the FY 2017 Mid-Year Adjustment for the Community and Visitor's Facilities Fund and the San Antonio Bowl Association. Of this amount, \$98,652.63 will be used to provide courtside wireless coverage on the floor once the NCAA has installed their elevated seating system, elevated court, and elevated team areas.
- B. This ordinance authorizes amendments to the License Agreement and Lease Agreement with the San Antonio Bowl Association; accepts funds in the amount of \$950,000 from the San Antonio Bowl Association and appropriates \$854,669.58 to the Alamodome Public Wi-Fi System for a total project budget of \$3,854,669.58; and provides funding for additional technology enhancements and improvements at the Alamodome.

These amended License & Lease Agreements are expected to generate approximately \$700,000.00 annually in City revenue, and an estimated \$9,100,000.00 in revenue through the remainder of this extended agreement. This revenue estimate is consistent with the FY 2017 Adopted Budget for the Community and Visitor's Facilities Fund. The License & Lease Agreement provides a funding commitment of \$6 million from the San Antonio Bowl Associations to complete improvements at the Alamodome. Once complete, the City will own all improvements.

RECOMMENDATION:

Staff recommends approval of these contracts and amendments to agreements in support of enhancing the public's experience in the Alamodome through technology improvements.