



City of San Antonio

Agenda Memorandum

File Number:19-8802

Agenda Item Number: 11.

Agenda Date: 12/12/2019

In Control: City Council A Session

DEPARTMENT: Convention & Sports Facilities Department

DEPARTMENT HEAD: Patricia Muzquiz Cantor

COUNCIL DISTRICTS IMPACTED: Council District 2

SUBJECT:

Job Order Contract Task Order for capital improvements to El Puente, a food and beverage area on the west lobby bridge at the Henry B. Gonzalez Convention Center related to the Events Trust Fund Program and appropriation of funds from the Hotel Occupancy Tax Improvement and Contingency Fund.

SUMMARY:

An ordinance authorizing a task order to a Job Order Contract for capital improvements to the food and beverage area near the west lobby bridge called El Puente at the Henry B. Gonzalez Convention Center in an amount not to exceed \$589,000.00 payable to Jamail & Smith Construction, LP. This action appropriates \$589,000.00 from the Hotel Occupancy Tax Improvement and Contingency Fund and amends the FY 2020 - FY 2025 Capital Improvement Program.

Upon completion of hosting the Brewers Association in April 2020, the Convention & Sports Facilities Department will submit to the Office of the Governor in accordance with the Events Trust Fund program with anticipated funding capacity of approximately \$1.4 million. Reimbursement funds received will be deposited into the Convention & Sports Facilities State Reimbursement Fund and transferred to the Hotel Occupancy Tax Improvement and Contingency Fund.

BACKGROUND INFORMATION:

The Events Trust Fund Program created through statute, Vernon's Texas Civil Statutes 5190.14, provides municipalities and counties the opportunity to obtain reimbursement for eligible expenses related to hosting and attracting high-visibility, high-tax impact events to the State of Texas that could otherwise have taken place outside of the state. The Event Trust Funds may be utilized to pay for eligible expenses such as preparing for an event, conducting an event to include equipment, or pay towards principal and interest used to build or improve

facilities to host the proposed event.

The Events Trust Fund applies local and state gains from sales and use, auto rental, hotel and alcoholic beverage taxes generated over a 30-day period from the date of an event or series of events conducted no more than once annually. Reimbursable dollars for these sports events are based on anticipated tax gain for a particular event. In order to obtain reimbursement for eligible expenses, municipalities are required to match funds that are deposited in the Events Trust Fund on a ratio of 1:6.25.

The Henry B. Gonzalez Convention Center will host the Brewers Association on April 17- 22, 2020. Estimated attendance is projected to be more than 13,500. This event has been submitted for approval to the Governor's Office as eligible under the State's Events Trust Fund program for anticipated funding capacity of approximately \$1.4 million related to hosting the event. The event will utilize the west portion of the Convention Center including the west lobby bridge where the food and beverage outlet called El Puente is located. The capital improvements to El Puente include improving lighting throughout the outlet, adding floor and wall tile, adding countertop space, new equipment that will incorporate a new bar service and food offerings, and furniture. These capital improvements will enhance the attendee experience by offering an improved food and beverage service and seating area and will distinguish the facility from other comparable Convention Centers. The capital improvements to El Puente at the Henry B. Gonzalez Convention Center will be submitted to the State for reimbursement and is vital to the success of the event.

This project was selected to utilize Job Order Contracting (JOC), an alternative project delivery method in which ten contractors were approved through Ordinance 2019-02-21-0134 by City Council on February 21, 2019. The use of the JOC delivery method provides the City with on-call construction, renovation and maintenance services for City buildings and facilities. It also provides the department the ability to complete the project before the event which is a requirement of the Events Trust Fund program. The assignment of JOC contractors to specific jobs is based on the contractor's current workload, overall capacity and familiarity with a specific facility, expertise in completing a specific task and/or managing a specific trade needed to carry out the requested repair or rehabilitation.

This contract will be awarded in compliance with the Small Business Economic Development Advocacy (SBEDA) Program, which requires contracts be reviewed by a Goal Setting Committee to establish a requirement and/or incentive unique to the particular contract in an effort to maximize the amount of small, minority, and women-owned business participation on the contract. The Goal Setting Committee set a 24% Minority/Women Business Enterprise (M/WBE) subcontracting goal and a 4% African American Business Enterprise subcontracting goal. Jamail & Smith Construction, LP has committed to a 24% M/WBE and 4% AABE subcontractor participation.

ISSUE:

The proposed task order to a Job Order Contract is for the capital improvements to the food and beverage area near the west lobby bridge called El Puente, at the Henry B. Gonzalez Convention Center. The capital improvements to El Puente include improving lighting throughout the outlet, adding floor and wall tile, adding countertop space, new equipment that will incorporate a new bar service and food offerings, and furniture. This action will authorize the appropriation of funds in the amount of \$589,000 from the Hotel Occupancy Tax Improvement and Contingency Fund. The City anticipates funding capacity of approximately \$1.4 million from the Texas State Events Trust Fund.

ALTERNATIVES:

If the task order to a Job Order Contract for capital improvements to the food and beverage area near the west

lobby bridge called El Puente, at the Henry B. Gonzalez Convention Center in an amount not to exceed \$589,000.00 is not approved, the City will lose its opportunity to obtain reimbursement by the State for eligible expenses related to hosting this event. Lack of financial support for major events or sporting events jeopardizes the City's ability to remain competitive in hosting these events in the future.

FISCAL IMPACT:

This ordinance authorizes a task order to a Job Order Contract for capital improvements to the food and beverage area near the west lobby bridge called El Puente, at the Henry B. Gonzalez Convention Center in an amount not to exceed \$589,000.00 payable to Jamail & Smith Construction, LP and appropriating \$589,000.00 from the Hotel Occupancy Tax Improvement and Contingency Fund. This action amends the FY 2020 - FY 2025 Capital Improvement Program.

The City anticipates funding capacity of approximately \$1.4 million from the State of Texas Events Trust Fund for the Brewers Association held at the Henry B. Gonzalez Convention Center in April 2020. Funds received from the State will be deposited into the Convention & Sports Facilities State Reimbursement Fund and transferred to the Hotel Occupancy Tax Improvement and Contingency Fund.

RECOMMENDATION:

Staff recommends approval of an Ordinance approving a task order to a Job Order Contract with Jamail & Smith Construction, LP for capital improvements to the food and beverage area near the west lobby bridge called El Puente at the Henry B. Gonzalez Convention Center in an amount not to exceed \$589,000.00 and appropriating \$589,000.00 from the Hotel Occupancy Tax Improvement and Contingency Fund.

The Contracts Disclosure Form required by the City's Ethics Ordinance is attached.