

Citizens Baseball Stadium Review Committee – Action Request Form

Date: August 25, 2009

To: Chairman Eric Prior and Members of the Committee

From: Gregory M. Turner, Assistant City Manager

Council Action Requested:

Consideration of a Resolution Approving the payment of \$6,700,000 in City Funding for Baseball Stadium Construction.

Summary of Information:

The contractor for the Baseball stadium has provided standard pay item requests for horizontal construction (the land and land preparation) and for vertical construction (the building). Both of these pay requests have been reviewed by the City, by the bank’s consultant and by the City’s consultant and have been found to be appropriate and to be a correct representation of the work performed. Memos from the City’s consultant are attached. Although the pending pay requests minus retainage and “amounts previously paid” totals approximately \$10,028,065, the City’s participation in the construction costs is limited to \$6,700,000. This \$6,700,000 is composed of \$4,700,000 and \$2,000,000 in City funding but all \$6,700,000 can be spent for stadium construction. The City is also purchasing the land under the stadium for \$8,000,000.

The attached resolution approves the payment of the City’s \$6,700,000.

In addition to the resolution and consultant’s memos, also attached is a copy of the “Amounts Due at Closing for Hard Costs” table and a “City Participation in First Payment” table.

Committee Action: Approval August 25, 2009

Committee	Action	APPROVED UNANIMOUSLY
_____	_____	10 - 0
For	Against	_____
Remarks:	_____	

**RESOLUTION APPROVING THE PAYMENT OF
HARD COSTS FOR BASEBALL STADIUM CONSTRUCTION**

WHEREAS, the City Council of Winston-Salem established the Citizens Baseball Stadium Review Committee to review payment requests made to the City for stadium construction; and

WHEREAS, the City will be purchasing the stadium and leasing it back under a long term agreement that is expected to close the week of August 24, 2009; and

WHEREAS, there will be \$10,028,065.11 in eligible hard costs for stadium construction due upon the closing of the City's acquisition of the stadium to Samet Corp. and subcontractors; and

WHEREAS, the \$10,028,065.11 payment has been reviewed by two consultants, one working for a bank loaning money to the stadium developers, and a separate consultant working for the City. Both consultants found that the payment request is correct and appropriate; and

WHEREAS, as the City's participation in the cost to complete the stadium is limited to \$6,700,000 for hard construction costs; and

WHEREAS, the City's maximum construction participation of \$6,700,000 is funded from two sources, one of \$4,700,000 from a City financing and the other of \$2,000,000 from capital project reserves which are both available for stadium construction; and

WHEREAS, the contractor involved with both the site work and stadium projects, Samet Corporation, has no ownership interest in developers, Sports Menagerie, LLC; Sports Menagerie Stadium, LLC; Sports Menagerie, Corp.; and WS Baseball Partners, LLC; involved with either project; and

WHEREAS, Arthur Samet, President, CEO, and a shareholder of Samet Corporation has a 10% minority ownership interest in Brookstown Development Partners, LLC, another

developer that, following the closing of the contemplated funding transactions, will own parcels of land adjacent to the parcel of land on which the Stadium is located; and

WHEREAS, neither Arthur Samet, nor Samet Corporation, nor any shareholder or corporate affiliate of Samet Corporation, has had or will have any ownership interest in the baseball team, the team franchise, or the Stadium; and

WHEREAS, neither Arthur Samet, nor Samet Corporation, nor any shareholder or corporate affiliate of Samet Corporation, has had or will have any ownership interest in Sports Menagerie Stadium, LLC, the party with whom Samet Corporation contracted for the construction of the Stadium.

NOW, THEREFORE, BE IT RESOLVED, that the Citizens Baseball Stadium Review Committee does hereby approve \$6,700,000 for the baseball stadium payment.