

AGREEMENT TO FURNISH CONSULTING SERVICES

FOR

A COST FEASIBILITY ANALYSIS FOR THE REDLANDS SPORTS COMPLEX

This Agreement is made and entered into this 6th day of March, 2001, by and between the City of Redlands, a municipal corporation ("City") and Keyser Marston Associates, Inc. ("Consultant").

In consideration of the mutual promises contained herein, City and Consultant agree as follows:

ARTICLE 1 - ENGAGEMENT OF CONSULTANT

- 1.1 City hereby engages Consultant to perform specialized financial consulting services, which are more particularly described in Exhibit "A" attached hereto and incorporated herein, for the preparation of a Cost Feasibility Analysis for the Redlands Sports Complex (the "Project").
- 1.2 All work performed by Consultant under this Agreement shall be done in a professional manner, and Consultant represents that it is skilled and has the professional expertise necessary to provide high quality specialized financial consulting services to City.

ARTICLE 2 - RESPONSIBILITIES OF CITY

- 2.1 City shall place at the disposal of Consultant all available information in its possession pertinent to the Project.
- 2.2 City will provide access to and make all provisions for Consultant to enter upon property as required by Consultant to perform the specialized financial consulting services under this Agreement.
- 2.3 City will designate in writing a person to act as City's representative with respect to the specialized financial consulting services to be performed under this Agreement, and such person shall have complete authority to transmit instructions, receive information, interpret and define City's policies and decisions with respect to materials, equipment, elements, and systems pertinent to the specialized financial consulting services covered by this Agreement.

ARTICLE 3 - RESPONSIBILITIES OF CONSULTANT

- 3.1 Consultant shall perform the specialized financial consulting services promptly and shall prosecute them diligently in accordance with the schedule included in Exhibit "A."

ARTICLE 4 - PAYMENTS TO CONSULTANT

- 4.1 For the performance of the specialized financial consulting services, City will pay Consultant on a time and materials basis, and, in any event, a fee not to exceed \$8,500.00. Fee does not include any reimbursables or additional services that may occur through the project.
- 4.2 Payment for the specialized financial consulting services requested by City shall be in accordance with the established budget outlined in Exhibit "A" for Phase I services.
- 4.3 Payments by City to Consultant shall be made within 30 days after receipt and approval of Consultant's invoice, by warrant payable to Consultant.

All notices, bills and payments shall be made in writing and may be given by personal delivery or by mail. Notices, bills, and payments sent by mail should be addressed as follows:

City	Ronald C. Mutter, Director City of Redlands Public Works Department P.O. Box 3005 Redlands, CA 92373
Consultant	James A. Rabe, Principal Keyser Marston Associates, Inc. 500 South Grand Avenue, Suite 1480 Los Angeles, CA 90071

When so addressed, such notices shall be deemed given upon deposit in the United States Mail; in all other instances, notices, bills and payments shall be deemed given at the time of actual delivery. Changes may be made in the names and addresses of the person to whom notices, bills, and payments are to be given by giving notice pursuant to this paragraph.

ARTICLE 5 - INSURANCE AND INDEMNIFICATION

- 5.1 Consultant shall maintain workers' compensation insurance and, in addition shall maintain insurance to protect City from claims for damage due to bodily injury, personal injury, or death and claims for injury to or destruction of tangible property while performing the Services covered by the Agreement. Said public liability and property damage insurance shall be in a minimum combined single limit of \$1,000.00 per occurrence. The City shall be named an additional insured on the insurance coverage for public liability and property

damage, and such insurance shall be primary and non-contributing to any insurance or self-insurance maintained by City. The Consultant shall provide City with a certificate evidencing such insurance coverage.

- 5.2 Consultant agrees to maintain professional liability insurance pursuant to this paragraph to protect City from negligent acts, errors, or omissions of a professional nature; the total aggregate of Consultant's professional liability insurance coverage shall be a minimum of \$1,000,000.
- 5.3 Consultant shall indemnify, hold harmless and defend City and its elected officials, agents, and employees from and against any and all claims, loss, damage, charge or expense, to which they or any of them may be put or subjected to arising out of or resulting from any willful or negligent act or actions, omission or failure to act on the part of the Consultant, its contractors, its suppliers, anyone directly or indirectly employed by it or anyone for whose acts or omissions it may be liable in the performance of the specialized financial consulting services described in this Agreement.

ARTICLE 6 - GENERAL CONSIDERATIONS

- 6.1 In the event any action is commenced to enforce or interpret any of the terms or conditions of this Agreement the prevailing party shall, in addition to any costs and other relief, be entitled to recover its reasonable attorneys' fees.
- 6.2 Consultant shall not sublet or assign any of the specialized financial consulting services to be performed under this Agreement, except with the prior written approval of the City and in strict compliance with the terms, provisions, and conditions of this Agreement.
- 6.3 The key Consultant's personnel proposed for this project are as follows:

James A. Rabe
Kevin Engstrom

Consultant agrees that these key people will be made available and assigned to City's Project, and that they will not be replaced without concurrence from the City.

- 6.4 All documents, records, drawings, designs and specifications, cost estimates, and other Project documents developed by Consultant pursuant to this Agreement shall become the property of City and shall be delivered to City at City's request. Any reuse of such documents for other projects and any use of incomplete documents will be at City's sole risk.
- 6.5 Consultant is for all purposes under this Agreement an independent contractor and not an employee of City. All qualified personnel provided by Consultant pursuant to the provisions of this Agreement are to be employed by Consultant for its account only, and in no event shall Consultant or any personnel retained by him be deemed to have been employed by City or engaged by City for the account of or on behalf of City.

KEYSER MARSTON ASSOCIATES INC.

500 SOUTH GRAND AVENUE, SUITE 1480
LOS ANGELES, CALIFORNIA 90071
PHONE: 213/622-8095
FAX: 213/622-5204

ADVISORS IN:
REAL ESTATE
REDEVELOPMENT
AFFORDABLE HOUSING
ECONOMIC DEVELOPMENT
FISCAL IMPACT
INFRASTRUCTURE FINANCE
VALUATION AND
LITIGATION SUPPORT

Exhibit "A"

March 5, 2001

Mr. John Davidson, City Manager
City of Redlands
P.O. Box 3005
Redlands, CA 92373

Los Angeles
Calvin E. Hollis, II
Kathleen H. Head
James A. Rabe
Paul C. Anderson
Gregory D. Soo-Hoo

San Diego
Gerald M. Trimble
Robert J. Wetmore
Paul C. Marra

SAN FRANCISCO
A. Jerry Keyser
Timothy C. Kelly
Kate Earle Funk
Denise E. Conley
Debbie M. Kern

Re: Revised Sports Complex Scope of Services

Dear Mr. Davidson:

Pursuant to your request, Keyser Marston Associates, Inc. (KMA) prepared the following revised scope of services for a market and feasibility analysis for the proposed sports complex (Project). KMA has prepared a two-phase scope of services. Phase I will be a general review of the Project relative to similar facilities in the region. This initial Phase will allow KMA to make a preliminary finding for the City of Redlands (City) regarding the feasibility of the Project as proposed. Phase II will utilize the findings of Phase I and will include a thorough analysis of the Project's cash flow and a discussion of the potential deal structures and financing options for the Project.

UNDERSTANDING OF THE SITUATION

As KMA understands the situation, the City has received a proposal from For the Game, LLC (FTG), a developer/operator, for the development of a modern sports complex with eight softball fields, four indoor arenas, twelve soccer fields, twenty-one acre passive park and related concession facilities (Park). Due to the relatively embryonic nature of this type of development the City is soliciting bids to review the development costs and operational assumptions set forth in the FTG proposal.

SCOPE OF SERVICES

As noted in our previous proposal KMA is working with other jurisdictions in Southern California that are contemplating the development of similar projects. These analyses have

provided KMA with a solid understanding of the sportspark industry. For this assignment KMA intends to apply the findings of our previous research to the proposed facility in Redlands.

Given the early stage of this Project, KMA believes that a phased analysis is in the best interest of the City. The phased analysis allows the City to understand whether the proposed Project is consistent with other similar developments and whether there is a reasonable likelihood that it is viable. The first phase allows the City to understand the sportspark concept and how this proposal fits within the genre and an additional assessment of its viability.

If the City decides to further pursue the Project, then the more detailed market analysis will be undertaken. This involves a formal review of the market support for this type of project, which includes interviews and debriefings of potential users of the facility. This analysis will also include a detailed review of the Developer's cash flow. At the end of Phase II, the City will have a formal feasibility analysis of the Project from which a formal go-no go decision can be made. Please note, we have excluded the cost analysis from this scope of work. To this end, KMA will conduct a phased analysis that will include the following tasks:

Phase I

Phase I will consist of an general review of the Project and its general feasibility when compared to similar projects either proposed or developed in the region.

Market Area Evaluation

The market area evaluation will consider the Project and its market area in comparison to similar projects throughout the region. This analysis will include:

1. A review of any market research conducted by FTG.
2. Identify comparable and/or competing facilities in Southern California.
3. Evaluate the Redlands market area relative to the market area for similar projects.

Operating Parameters

The operating parameters evaluation will consider the projections provided by the Developer in light of other projects in the region.

1. Review operating parameters of sportsparks in California.
2. Review activity projections provided by FTG relative to utilization levels of other existing/proposed facilities.
3. Compare Developer projections to other Sportsparks.

Upon completing Phase I of the analysis, KMA will provide the City with a memorandum detailing our findings. Overall, Phase I will provide an overview of the Project and will identify areas of concern that require further analysis. This initial phase will allow KMA to comment on the general feasibility of the Project.

Phase II

Phase II will involve a comprehensive analysis of the Project. Utilizing the overview conducted in Phase I, KMA will conduct a thorough market analysis and will generate an ongoing cash flow for the Project. Finally, Phase II will also consider potential deal structures and financing options for the Project.

Detailed Market Analysis

The detailed market analysis will consider the overview conducted above. In addition, KMA will look at the area-specific demand segments that will affect the success of the Project.

1. KMA will contact other Cities in the region to gain an understanding of competing fee structures.
2. KMA will contact sports organizations in the region to estimate the likely utilization of the complex.
3. Within the market area, KMA will identify groups that traditionally constitute the bulk of the adult softball and youth soccer communities.

This research will allow KMA to evaluate on the proposed scope of the facilities and the amenities proposed for the Project.

Ongoing Cash Flow

KMA will evaluate on the reasonableness of the ongoing revenue and expense projections and will conduct a cash flow analysis that considers our findings. This analysis will include the following:

1. Estimated ongoing softball tournament, weekday softball league and weekend softball league revenues and expenses.
2. Estimated ongoing soccer revenues and expenses.
3. Estimated ongoing arena revenues and expenses.
4. Estimated ongoing stadium revenues and expenses.
5. Estimated ongoing additional revenue sources, such as batting cages, sponsorship income, vendors, etc.

Deal Structures and Financing Options

KMA will review the deal structures and financing mechanisms utilized by other private/public partnerships in the region. KMA already has a good sample of agreements between cities and operators of sportsparks within the region. Based on this review and KMA's own experience with similar projects KMA will identify a financing program that best suits both the City and FTG's needs.

Cost Analysis

KMA has not included a cost analysis as part of its scope.

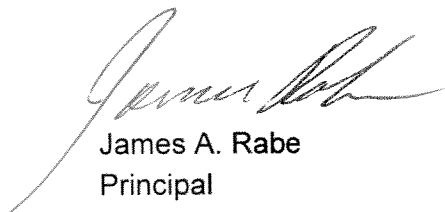
PROJECT SCHEDULE & BUDGET

Based on the preceding scope of work KMA anticipates the project will complete the Phase I within three weeks of receiving authorization from the City to proceed. Phase II will be completed within six weeks of the completion and acceptance of Phase I. The total budget for the Project would be \$30,500. The breakdown of the schedule and the budget is shown in the table below.

	Duration	Budget
Phase I	Three Weeks from Authorization	\$8,500
Phase II	Six weeks from Completion of Phase I	\$22,000

Sincerely,

KEYSER MARSTON ASSOCIATES, INC.



James A. Rabe
Principal

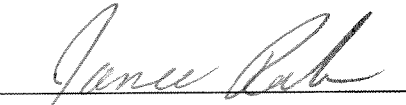
- 6.6 Unless earlier terminated as stipulated below, this Agreement shall terminate upon completion and acceptance by City of the specialized financial consulting services.
- 6.7 Upon receipt of a termination notice, Consultant shall (1) promptly discontinue all services and (2) deliver or otherwise make available to City, copies of data, design calculations, drawings, specifications, reports, estimates, summaries, and such other information and materials as may have been accumulated by Consultant in performing this Agreement.
- 6.8 This Agreement, including the attachments incorporated herein by reference, represents the entire agreement and understanding between the parties and any negotiations, proposals or oral agreements are intended to be integrated herein and to be superseded by this written Agreement. Any supplement or amendment to this Agreement to be effective shall be in writing and signed by City and Consultant.
- 6.9 This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, duly authorized representatives of the parties have signed in confirmation of this Agreement.

CITY OF REDLANDS

KEYSER MARSTON ASSOCIATES, INC.

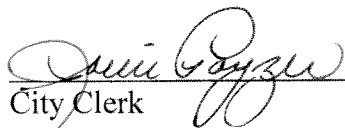
By 
Mayor

By 

Date March 6, 2001

Date 3/8/2001

ATTEST:


City Clerk