



Office of the
**INDIAN RIVER COUNTY
ADMINISTRATOR**

John A. Titkanich, Jr., County Administrator
Michael C. Zito, Deputy County Administrator

MEMORANDUM

TO: Members of the Board of County Commissioners

THROUGH: John A. Titkanich, County Administrator

FROM: Michael C. Zito
Deputy County Administrator

DATE: March 27, 2024

SUBJECT: Request for Approval of Third Amendment to the Amended and Restated Facility Lease Agreement with Major League Baseball dba Verotown, LLC. at the Jackie Robinson Training Complex fka “Dodgertown”

On January 2, 2019, the County entered into the Amended and Restated Facility Lease Agreement with Major League Baseball (MLB) doing business as Verotown, LLC (Verotown) to operate the Jackie Robinson Training Complex at the facility previously known as Historic Dodgertown. The Agreement was subsequently amended by the First Amendment executed on February 16, 2021, and that certain Second Amendment executed on July 12, 2022. (Collectively “The Agreement”).

The initial term of the Agreement is ten years and eight months with three successive renewal options of five years each. The Agreement represents a partnership where the County and MLB share in the cost of facility improvements. In broad summary, under the original Agreement the County was responsible for initial repairs on items consisting mostly of roof replacements and concession stand replacements/repairs where maintenance had been deferred during the economic downturn. Verotown agreed to be responsible for making some initial facility improvements such as the design and construction of an indoor training facility now known as the 42 Building. Additionally, Verotown has completed facility repairs such as replacing the entire Holman Stadium seating bowl. Under the Agreement, the County reimburses Verotown for 50% of these costs within the limits of the Capital Reserve Account as set forth in the lease agreement. Other than the County-funded initial improvements as amended, the County’s annual contribution is its only obligation for facility improvements and maintenance. Verotown will be responsible for all other capital improvements and maintenance for the duration of the initial term and any renewal term. The Agreement essentially transitions from the County funding the initial deferred maintenance items, to Verotown and the

County sharing Verotown's initial improvement costs on a 50%/50% basis, to Verotown fully funding any facility costs beyond the amount approved in the Capital Reserve Fund with the exception of a pending capital project to reroof the batting cage building following an oversight by both parties in the initial assessment of the deferred maintenance and capital improvements. That project will be presented later under a cooperative funding agreement.

The course of events over the first two (2) years of the Agreement led the parties to mutually endeavor to amend certain terms and conditions. In February of 2021, Major League Baseball and Indian River County entered into the First Amendment to the Agreement (The "First Amendment"). Under the First Amendment, Verotown took on responsibility for construction of certain improvements using previously allocated funding to complete those improvements. Additionally, the parties extended specified time frames in which to complete their obligations under the Agreement. The time extensions were primarily reflective of challenges related to the Covid Pandemic at the time and the parties mutual desire to transfer construction management to Verotown.

The Second Amendment:

On July 12, 2022, the parties mutually agreed to transfer responsibility for some of the County's remaining obligations to Verotown providing funding for their completion under the terms presented by the Second Amendment to the Agreement ("Second Amendment"). The parties modified certain terms of the Agreement as amended, including certain rights and obligations associated with the Capital Improvements and additional contributions to the Capital Reserve Account in accordance with the terms and conditions of the proposed Second Amendment. Under the Second Amendment, the County incurred a fixed cost to shift the management of three (3) remaining improvement projects to MLB include the TV Platforms Project, the Executive Building / Championship Hall project, and the Hotel Room Remediation Project. Pursuant to the Second Amendment any funding not utilized for the specified projects would be eligible to return to the County and to the contrary, any overages would be borne by Verotown in good faith.

The Hotel Room Remediation Project

Under the Agreement, the County is obligated to renovate and remediate the hotel room villas including asbestos remediation in several of the villas. Under the Second Amendment, the parties shifted the remaining asbestos remediation project to MLB at a projected fixed cost of \$570,000 utilizing a certified asbestos contractor that employed proper removal and disposal practices, prescribed by the United States Environmental Protection Agency. MLB and the County were fortunate to have completed this project well under the projected cost following Verotown's solicitation of bids in accordance with the Agreement, leaving a fund balance in the Villas renovation project for asbestos remediation.

The Proposed Third Amendment:

For the Board's consideration today is the proposed Third Amendment to the Agreement. Under this Amendment, it is proposed that the remaining surplus funds allocated for the asbestos remediation project are shifted to plumbing improvements necessary to complete the villas renovation project and to avoid additional remediation costs associated with the current plumbing

system within the Facility. Following a favorable outcome on the asbestos remediation project for the hotel rooms, the fund balance for the “Second Amendment Improvements” is approximately \$257,000.

Consistent with the Amended and Restated Facility Lease Agreement as twice amended, the proposed Third Amendment delegates the primary project management functions and solicitation of bids to Verotown. Subject to the approval and the collaboration of County Staff, Verotown has developed a scope of work, obtained no less than 2 competitive bids, and will cooperate with the general oversight and monitoring of the project by the County. Verotown will also provide a certificate of insurance naming the County as additional insured in a form and amount to approved by the County’s Risk Manager.

Verotown has selected the lowest responsive and responsible bid at \$190,000. Additionally, Verotown has agreed to secure a payment and performance bond; however, if the projected cost of the project is less than \$200,000, the Board may waive this requirement pursuant to Florida Statute Section 255.05. Under the Statute, the County may exempt the selected contractor from executing a payment and performance bond. It is recommended herein as part of the approval of the Third Amendment since the low bid is under \$200,000, the Board waive this requirement given the discretion afforded by the statute,

Funding

No new funding is required to accommodate this request. The changes as detailed above and stated in the Amendment will be funded from budgeted allocations for County responsibilities in the current Agreement (as approved by the Board of County Commissioners on December 18, 2018, and affirmed on February 9, 2021, and July 12, 2022, respectively). These improvements are funded by a combination of Tourist Tax and the One Cent Sales Tax. All obligations imposed by the Agreement and subsequent Amendments not reformed by this Third Amendment shall remain in full force and effect.

Staff Recommendation:

1. Staff recommends the Board of County Commissioners approve the proposed Third Amendment to the Amended and Restated Facility Lease Agreement for the Jackie Robinson Training Complex and authorize the Chairman to execute the Third Amendment in substantial form subject to any minor changes and following execution by the County Attorney.
2. Additionally, staff requests the Board of County Commissioners waive the County’s procedural requirements for bids in order to allow MLB Verotown to manage the additional projects under the Third Amendment and to complete facility improvement projects contemplated by the Third Amendment to the Agreement as detailed above in a similar manner to the original approval on December 18, 2018, and February 9, 2021, and July 12, 2022, respectively.

ATTACHMENTS:

- First Amendment to the Amended and Restated Facility Lease Agreement
Approved February 9, 2021.
- Second Amendment to the Amended and Restated Facility Lease Agreement Agenda
Approved July 12, 2022.
- Proposed Third Amendment to the Amended and Restated Facility Lease Agreement

Note: A copy of the Amended and Restated Facility Leas Agreement is available in the County Administrators Office.
