

**RESOLUTION NO. 146**

**AUTHORIZING AN OPERATING AND MANAGEMENT AGREEMENT WITH SPECTACOR MANAGEMENT GROUP FOR THE CIVIC CENTER AND AMENDING RESOLUTION NO. 278 FOR 2000**

Introduced: 5/11/09

By Civic Center Committee and Mr. Clenahan:

WHEREAS, By Resolution No. 278 for 2000, this Honorable Body authorized an agreement with Spectacor Management Group (SMG) for the operation and management of the Civic Center for a ten year term commencing on January 1, 2001 and ending December 31, 2010, and

WHEREAS, Effective as of July 1, 2009 the County Executive's Office has requested authorization to terminate the existing contract with SMG and to enter into a new agreement for the operation and management of the Civic Center for a term commencing on July 1, 2009 and ending December 31, 2020, and

WHEREAS, Pursuant to the terms of the proposed agreement for the remainder of calendar year 2009, SMG will guarantee that the County will receive the first \$496,622 of net operation income; thereafter SMG will receive the next \$223,311 of net operation income as a base management fee and thereafter any net operation income in excess of \$719,933 shall be distributed 70% to the County and 30% to SMG as an incentive fee, and at such time as SMG incentive fee equals the base management fee, Albany County will receive 100% of the net operation income, and

WHEREAS, According to the terms of the proposed agreement from January 1, 2010 and ending December 31, 2020, SMG will guarantee that the County will receive the first \$500,000 of net operation income; thereafter SMG will receive the next \$200,000 of net operation income as a base management fee and thereafter any net operation income in excess of \$700,000 shall be distributed 70% to the County and 30% to SMG as an incentive fee, and at such time as SMG incentive fee equals the base management fee, Albany County will receive 100% of the net operation income with an annual CPI escalation that applies to guarantee and base fees capped at 4%, and

WHEREAS, In addition to changes in SMG's compensation, the County will now have approval over the hiring and dismissal of the General Manger, and

WHEREAS, The County Executive's Office has recommended the proposed agreement with SMG as being in the best interest of the County, now, therefore be it

RESOLVED, By the Albany County Legislature that the County Executive is authorized to enter into an agreement with Spectacor Management Group for the operation and management of the Civic Center commencing on July 1, 2009 and ending December 31, 2020 in accordance with the terms set forth herein, and, be it further

RESOLVED, That the authority granted under Resolution No. 278 for 2000 pertaining to the operation and management of the Civic Center is rescinded effective July 1, 2009, and, be it further

RESOLVED, That the County Attorney is authorized to approve said agreement as to form and content, and, be it further

RESOLVED, That the Clerk of the County Legislature is directed to forward certified copies of this resolution to the appropriate County Officials.

*Adopted by unanimous vote. 5/11/09*