



Staff Report

File #: 20-458

Version: 1

Date: 11/23/2020

Item #: 3.3c.

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Peter Fernandez, PE, Public Works Director

SUBJECT:

Amending the June 2019 agreement with the Rotary Club of Salem regarding construction of the Gerry Frank | Salem Rotary Amphitheater.

Ward(s): All Wards

Councilor(s): All Councilors

Neighborhood(s): All Neighborhoods

Result Area(s): Welcoming and Livable Community.

ISSUE:

Shall the City Council authorize the City Manager to execute an amendment to the ground lease agreement with the Rotary Club of Salem regarding construction of the Gerry Frank | Salem Rotary Amphitheater at Riverfront Park?

RECOMMENDATION:

Authorize the City Manager to execute an amendment to the ground lease agreement with the Rotary Club of Salem regarding construction of the Gerry Frank | Salem Rotary Amphitheater at Riverfront Park.

SUMMARY:

This project is being conducted jointly between the City and Rotary. On June 10, 2019, Council authorized the City Manager to execute a ground lease agreement (Agreement) with Rotary. The Agreement defined roles, responsibilities, obligations, and rights for both parties. (See Attachment 1.) Generally, under the Agreement the City is responsible for designing and constructing the contoured grass seating area, walkways, electrical service, landscaping, irrigation, additional parking, river overlook, and other improvements contained in the *Salem Riverfront Park Master Plan*. Rotary is responsible for designing and constructing the performance facility itself.

Construction began in July 2020 and is well underway with the Parties working together in close collaboration. At this point in the project, the City and Rotary agree that it is in the best interest of both parties to amend the agreement so that some items should be constructed on behalf of Rotary by the City's General Contractor and some items should be constructed on behalf of the City by Rotary's General Contractor. The shift of work allows for better sequencing of the project, streamlines the overall schedule of work, and prevents potential damage to improvements where construction is still active. There will be overall cost savings to both parties. This transition of construction responsibilities between the City's General Contractor and Rotary's General Contractor was anticipated early in the project.

FACTS AND FINDINGS:

The City's General Contractor, Emery and Sons Construction, has substantially completed the City's responsibilities under the Agreement. Construction responsibilities are in the process of shifting to Rotary's General Contractor, Dalke Construction, Inc., for building the amphitheater.

Construction costs for the City's items to be constructed by Dalke are estimated to be approximately \$192,000. Construction costs for Rotary's items to be constructed by Emery are estimated to be \$57,000. Once all the work is completed, the City will reimburse Rotary the difference, or approximately \$135,000. Attachment 2 memorializes this arrangement, provides more details on cost estimates, and will become part of the Agreement as "Exhibit G" once it is executed.

The Gerry Frank | Salem Rotary Amphitheater is included in the Council-adopted *Salem Riverfront Park Master Plan* (2018). The master plan is available at:

[<https://www.cityofsalem.net/CityDocuments/riverfront-park-master-plan.pdf>](https://www.cityofsalem.net/CityDocuments/riverfront-park-master-plan.pdf)

A Ground Lease Agreement between the City of Salem and Rotary Club of Salem was approved by Council at its June 10, 2019, meeting.

Additional information regarding the Agreement is provided in Staff Report File No. 19-243 dated June 10, 2019, which is available on the City's website at:

<https://salem.legistar.com/LegislationDetail.aspx?ID=4216444&GUID=5086973D-71F2-474C->

For efficiency and project cohesion, the City and Rotary are using the same architect, CB | Two Architects, and the same project management firm, Klosh Group.

BACKGROUND:

In celebration of its centennial, the Rotary Club of Salem ("Rotary") is donating a new amphitheater

to the City. The facility will consist of a stage, cover, and related trusses, supports, and ancillary elements to support lighting, rigging, sound systems, and other features. Named the Gerry Frank | Salem Rotary Amphitheater, the facility and other improvements adjacent to the amphitheater are identified in the *Riverfront Park Master Plan* (2018) and are currently under construction.

The Rotary Club of Salem received its charter from Rotary International in 1920. In celebration of its centennial, the club is donating a performance facility to the City for the enjoyment of the Salem community. Named the Gerry Frank | Salem Rotary Amphitheater, it will be located in the southeast area of Riverfront Park. Construction of the amphitheater and other improvements in the area immediately adjacent to the amphitheater is a joint project of the City and Rotary.

Robert D. Chandler, PhD, PE
Assistant Public Works Director

Attachments:

1. Ground Lease: The Gerry Frank | Salem Rotary Amphitheater. Effective June 13, 2019.
2. Proposed Exhibit "G" to the Agreement.