

TOWN
Of
PARADISE VALLEY



STAFF REPORT

TO: Mayor Bien-Willner and Town Council Members

**FROM: Jill Keimach, Town Manager
Lisa Collins, Community Development Director**

DATE: January 27, 2022

DEPARTMENT: Town Manager
Lisa Collins, 480.348.3522

AGENDA TITLE:

Authorize the Town Manager to execute Amendment Five to the Professional Services Agreement with Brown and Associates for Third Party Plan Review and Inspection Services Related to Construction Activities at the Five Star Development, and Amendment Three to the Third Party Inspection Agreement with Five Star Resort Owner, LLC and Five Star Land Owner, LLC.

SUMMARY STATEMENT:

In November 2018 the Town Council authorized the Town Manager to execute a contract with Brown and Associates in an amount not to exceed \$240,000 for plan review and inspection services related to the Five Star Development. This contract was necessary due to the inability of existing staff to provide the required services and was anticipated in the approved 2016 Development Agreement between the Town and Five Star Development Resort Communities (the "Development Agreement").

Particularly, Section 6.2 of the Development Agreement states:

6.2 Review Process. The Parties agree that it is desirable for Owner to proceed rapidly with the implementation of this Agreement and the redevelopment of the Property. The Town acknowledges the necessity for review by the Town of all plans and other materials submitted by the Owner to the Town hereunder or pursuant to any zoning procedure, permit procedure, or other governmental procedure pertaining to the development of the Property and agrees to use its reasonable but diligent efforts to review all plans and submittals. Upon the request of Owner, Town will select and retain third-party plan reviewers, inspectors, and other relevant professionals. These third-party contractors shall be funded by the Owner to the extent such costs and expenses are approved in advance, in writing, by Owner. Such third-party contractors shall work for the Town and report to the Town.

In connection with the contract with Brown and Associates, the Town entered into a

contract with Five Star Resort Owner, LLC and Five Star Land Owner, LLC (“Five Star”), by which Five Star agreed to reimburse the Town for services provided by Brown, in an amount up to \$200,000.

Since the initial 2018 contract with Brown and Associates, there have been the following amendments:

- Amendment One: On July 1, 2019 the Town and Consultant entered in Contract No. CON-19-046-A1 to increase the compensation by \$300,000 to allow additional Services to be available to Five Star; and
- Amendment Two: On July 1, 2020, Town and Consultant entered into agreement to extend the term of the Agreement to December 31, 2020; and
- Amendment Three: The Town and Consultant entered into Amendment Three to extend the term of the Agreement to June 30, 2021; and
- Amendment Four: On June 24, 2021, Town and Consultant entered into Contract No. CON-19-046-CMD-A4 to increase the compensation within budget authorization of \$100,000 to allow additional services to be available to Five Star.

Since the initial 2018 contract with Five Star, there have been the following amendments:

- Amendment One: On July 1, 2019 the Town and Five Star entered in Contract No. CON-19-053-A1 to increase the compensation by \$300,000 to allow additional Services to be available to Five Star; and
- Amendment Two: On July 1, 2020 the Town and Consultant entered in Contract No. CON-19-053-A2 to extend the Term to December 31, 2020.

Third party plan check and inspection services have been working well for both Town staff and Five Star Development and both wish to extend the contract amount an additional \$300,000 to continue utilizing Brown and Associates for plan review and inspections.

BUDGETARY IMPACT:

The existing contract and its four executed amendments with Brown and Associates is for an amount not to exceed \$640,000. With Council approval of a fifth amendment for an additional \$300,000 for Five Star, the total amendment for this contract, from November 1, 2018, would be for \$940,000 over 4 years. With this contract change \$200,000 will need to come from contingency expense to the Building Department and \$200,000 from contingency revenue to Third Party Payment Revenue for Five Star’s reimbursement. The remaining \$100,000 will be budgeted in Fiscal Year 2023.

ATTACHMENTS:

- Attachment A: Staff Report
- Attachment B: CON-19-046-CMD
- Attachment C: CON-19-046-CMD-A1
- Attachment D: CON-19-046-CMD-A2
- Attachment E: CON-19-046-CMD-A3
- Attachment F: CON-19-046-CMD-A4
- Attachment G: Proposed CON-19-046-CMD-A5
- Attachment H: CON-19-053-CMD
- Attachment I: CON-19-053-CMD-A1
- Attachment J: CON-19-053-CMD-A2
- Attachment K: CON-19-053-CMD-A3
- Attachment L: Proposed CON-19-053-CMD-A4
- Attachment M: PowerPoint Presentation