



MEMORANDUM

OCPPA Agenda
Item No. PPA. C
8/13/2024

The City of OKLAHOMA CITY

TO: Chairman and Trustees of the Oklahoma City Public Property Authority

FROM: Craig Freeman, City Manager/General Manager, OCPPA

Service Extension Agreement with Vicinity Energy Oklahoma City, LLC, extension of chilled water lines and construction of boiler plant inside the Paycom Center for heating hot water, 100 West Reno Avenue, estimated cost \$5,000,000. Ward 7.

Location:

100 West Reno Avenue

Purpose:

The central plant located in the Prairie Surf Studio facility (former Cox Convention Center) that provides heating hot water and chilled water to the Paycom Center will be demolished as part of a new Oklahoma City arena project. Replacement of the hot water and chilled water supply system must be performed within a window of time to provide continuous services to the Paycom Center. The provision of heat and air condition climate control is a contract requirement and health and safety concern. Vicinity shall undertake the entire scope of the service extensions including all design, engineering and construction, including without limitation obtaining all permits and other governmental authorizations, retention of contractors and other workforce, and insurance. Vicinity shall endeavor to complete the Service Extension on or before December 31, 2024.

Background:

On December 12, 2023, the City presented to its citizens a temporary 72-month 1% (\$0.01) sales tax to construct a new arena, which was passed by an overwhelming majority of voters. This new temporary tax will not take effect until after the expiration of the MAPS 4 sales tax and will be used to fund the costs associated with the design and construction of the new arena for both the City's and Team's use.

On June 4, 2024, the Oklahoma City Public Property Authority voted to amend the Lease and Facility Occupancy Agreement between the OCPPA and Prairie Surf Media to cease use of the former Cox Convention Center on December 31, 2024. This is one year prior to the original termination date of Dec 31, 2025. This will allow the City of Oklahoma City to start the demolition and construction process of the new arena at that site (Item No. PPA.A. 6/4/2024).

The City of Oklahoma City's obligation under this Service Extension Agreement shall be a reimbursement of Service Extension costs with markup. Reimbursement will be Vicinity's actual out of pocket direct costs paid to third party contractor, as agreed between the parties, plus a

markup of ten percent (10%) for all costs and expenses incurred by Vicinity for the Service Extension.

Estimated Cost:

\$5,000,000

Source of Funds:

(OCPPA>4685>1406300>OTHER>AE-0004>54040049)

OCPPA>NEW NBA ARENA>NBA ARENA>OTHER>PAYCOM ARENA - VICINITY
CONNECTION>CAPITALIZED PROFESSIONAL SRVC

Review:

Finance Department

Recommendation: Service Extension Agreement be approved.