

IN THE COUNTY LEGISLATURE OF JACKSON COUNTY, MISSOURI

A RESOLUTION authorizing the Director of Finance and Purchasing to execute an addendum to the Agreement for the repurposing and sale of stadium seats for use by Parks + Rec Department to Schneider Industries of St. Louis, MO, for compensation payable to the County.

RESOLUTION NO. 20368, February 3, 2020

INTRODUCED BY Tony Miller, County Legislator

WHEREAS, by Resolution 20364, dated February 3, 2020, now pending, the Legislature will consider declaring 33,655 stadium seats now located at Arrowhead Stadium as surplus to the County's needs; and,

WHEREAS, by Resolution 20197, dated July 15, 2019, the Legislature did award a contract for the repurposing and sale of other seats previously removed from Arrowhead Stadium to Schneider Industries of St. Louis, MO, pursuant to Request for Proposals 24-19; and,

WHEREAS, the Director of Parks + Rec now recommends the execution of the attached addendum to the Agreement with Schneider Industries to provide for the repurposing and sale of the seats which are the subject of Resolution 20364, now pending; and,

WHEREAS, under the addendum, Schneider Industries will take possession of the 33,655 seats, repurpose them, and make them available for sale to fans and collectors, with no upfront fee payable by the County; and,

WHEREAS, under the addendum, Schneider and the County will share equally in the proceeds of the sale of all seats, after the first seven hundred sets of seats have been sold; and,

WHEREAS, Schneider and the County will also share equally in the proceeds of any seats that cannot be reused as seats, for scrap, salvage, or any other purpose; now therefore,

BE IT RESOLVED by the County Legislature of Jackson County, Missouri, that the Director of Finance and Purchasing be, and is hereby, authorized to execute the attached addendum to the Agreement with Schneider Industries of St. Louis, MO.

Effective Date: This RESOLUTION shall be effective immediately upon its passage by a majority of the Legislature.

APPROVED AS TO FORM:



Chief Deputy County Counselor



County Counselor

Certificate of Passage

I hereby certify that the attached Resolution, Resolution No. 20368 of February 3, 2020, was duly passed on February 3, 2020 by the Jackson County Legislature. The votes thereon were as follows:

Yeas 9

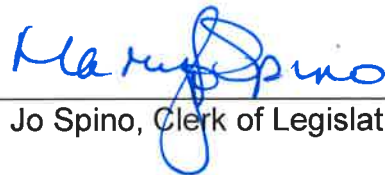
Nays 0

Abstaining 0

Absent 0

2.3.2020

Date



Mary Jo Spino, Clerk of Legislature

ADDENDUM TO ASSET DISPOSITION AND SALE AGREEMENT

(Terms & Conditions between Jackson County and Schneider Industries to Manage the Arrowhead Stadium Seat Sale Project, Phase Two)

This Addendum to Agreement is dated _____, 2020, by and between Schneider Industries, Inc. ("SI"), and Jackson County, Missouri ("County").

WHEREAS, SI and the County are parties to an Asset Disposition and Sale Agreement dated July 23, 2019 ("the Prior Agreement"), whereunder SI agreed to sell and/or otherwise dispose of certain stadium seats, which were owned by the County and surplus to the County's needs, upon mutually agreeable terms; and,

WHEREAS, the parties have now negotiated this Addendum whereby they have agreed on procedures for the disposal of additional surplus seats to be removed from Arrowhead Stadium in 2020; now therefore,

In consideration of the agreements contained herein and other good and valuable consideration, the receipt and sufficiency of such consideration each party specifically acknowledges, the parties agree as follow:

A. Overview.

The Kansas City Chiefs, as a part of their stadium renovation plan for 2020, are removing approximately 31,455 seats from the lower bowl of Arrowhead Stadium and 2,200 seats from the upper bowl. The Chiefs have informed the County they intend to remove the seats in four phases, beginning on January 27, 2020, and concluding on or about August 1, 2020 (see attachment A). The Chiefs, through their own contractor and at their own cost, will remove all seats and bring them outside of the stadium and place them at a location of the County's choosing for collection.

B. Schneider Industries (SI) Responsibilities.

1. SI to manage the entire operation on behalf of County, including providing all materials, equipment, storage, and labor necessary to take possession of all seat components, repurpose usable materials for seat resale, market and sell the repurposed seats, and dispose of unusable materials.
2. SI will provide all containers and onsite managers to assist in the sorting of the material removed from the stadium. SI will gather and take possession of all seat material as it comes out to be reassembled and sold to customers.
3. SI will manage the entire scrap salvage operation of the lower and upper bowl from start to finish. SI will gather scrap, salvage, and disposal items as it comes out and will either be recycled or disposed of at a landfill. Preference is to recycle but this is not required and disposal is at SI's discretion.
4. SI to turn-key manage the website sales and delivery of sold seats to paying customers for lower and upper deck seating from Arrowhead. Customers to pay an additional charge for shipping as with previous seat sales.
5. Schneider to conduct all marketing and necessary PR for a successful sale -- including separate waves of marketing to further sales, and local paid advertising.
6. Schneider will offer a 10% discount to Chiefs season ticket holders.

C. Revenue Sharing between Schneider Industries and Jackson County.

1. All sales revenue on first 700 seats sold goes 100% to SI, with no profit sharing to County. SI shall pay no upfront fees to the County. The County will not share any revenue arising out of seat sales from 1-700 units sold. This is to pay for SI upfront and overhead costs of the project.

2. After 700 seats are sold, the County will receive 50% of the profit per unit sold after the variable costs are paid per unit (see attachment B). Single and double seats sold will count towards the first 700, with pricing based on the Prior Agreement.
3. The County will incur no costs for the project, or provide any labor or materials for the entire operation.
4. The Chiefs are responsible for 100% of the seat removal operations and bringing the material to the back gate. Should this change, SI and the County may renegotiate the terms of this Addendum, or either party may terminate the Agreement.
5. Customers to pay additional upcharge of \$20 for seat row and number selection, and this will not be considered part of sale proceeds; this upcharge is retained by SI for its cost to provide this service.
6. All scrap and salvage revenue from iron or plastic (if any) will be split equally between the County and SI.
7. All revenue from other alternative sources, such as bulk sales, shall also be split equally between the County and SI.

D. Other

1. This Addendum shall be effective on the date first above written and shall extend, together with the Prior Agreement, until July 22, 2021.
2. Should the salvage project schedule be extended beyond September 2020, SI shall have the right to renegotiate for further work provided.
3. 2500 seat units is the maximum number of units available to sell.

4. Either party may donate a limited number of seat components, with the consent of the other party, in the interest of advancing the sale of seats.
5. Remaining terms between the parties are as set out in the Prior Agreement.

IN WITNESS WHEREOF, the undersigned Parties hereto have executed this Agreement, as of the date first above written.

SCHNEIDER INDUSTRIES, INC.

JACKSON COUNTY, MISSOURI

Signature: _____
Bruce M. Schneider, President

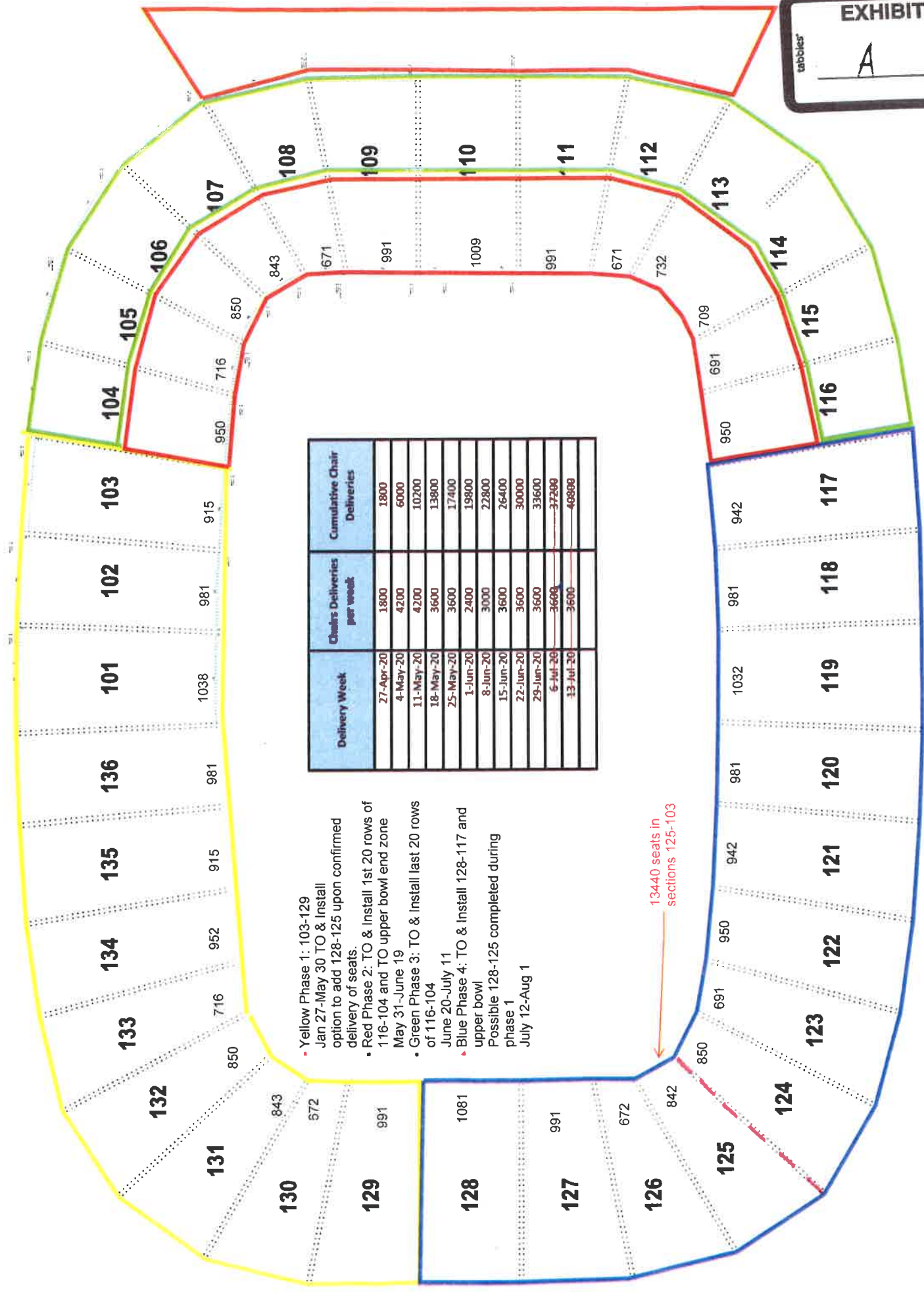
By: _____
Bob Crutsinger
Director of Finance and Purchasing

APPROVED AS TO FORM:

ATTEST BY:

County Counselor

Mary Jo Spino, Clerk of the Legislature



- Yellow Phase 1: 103-129
Jan 27-May 30 TO & Install
option to add 128-125 upon confirmed
delivery of seats.
- Red Phase 2: TO & Install 1st 20 rows of
116-104 and TO upper bowl end zone
May 31-June 19
- Green Phase 3: TO & Install last 20 rows
of 116-104
June 20-July 11
- Blue Phase 4: TO & Install 128-117 and
upper bowl
Possible 128-125 completed during
phase 1
July 12-Aug 1

Delivery Week	Chairs Deliveries per week	Cumulative Chair Deliveries
27-Apr-20	1800	1800
4-May-20	4200	6000
11-May-20	4200	10200
18-May-20	3600	13800
25-May-20	3600	17400
1-Jun-20	2400	19800
8-Jun-20	3000	22800
15-Jun-20	3600	26400
22-Jun-20	3600	30000
29-Jun-20	3600	33600
6-Jul-20	3600	37200
13-Jul-20	3600	40800

13440 seats in sections 125-103

Attachment "B"

Example 1 -- 701 Total Seats Sold

Seat Type	Total # Sold	# of Seats Sold above 700	Selling Price per Unit	Net Return after Variable Cost Per Unit (NRAVPU)	(NRAVPU) X Number Sold above 700 Threshold
Logo Double - Orange Seats	700	1	399	\$ 263.00	\$ 263.00
Variable Cost Per Unit					
Price w/ shipping	\$ 399.00				
Cost of Seat Re-fabricat	\$ (24.50)				
Cost of Stand up brackets \$27/each (x 3 brackets for doubles)	\$ (81.00)				
Cost Selling, Reconcile, Admin, Cust. Service	\$ (15.50)				
Credit Card Fees (appro	\$ (15.00)				
Net After Variable Cost	\$ 263.00				
Total Net Return After Variable Costs (Logo Double Orange)					
				\$	\$ 263.00
LESS Fixed Costs of \$0					
				\$	\$ -
Less Time and Material Costs for Removal (not anticipated but possible per proposal)					
				\$	\$ -
Net Return after all expenses (NRAAE)					
				\$	\$ 263.00
Amount Due to Schneider (50% of Profit)					
				\$	\$ 131.50
Amount Due County (50% of Profit)					
				\$	\$ 131.50

** does not factor in Chiefs Season Ticket Member Discount, if taken

Example 2 -- 1000 Total Seats Sold

Seat Type	Total # Sold	# of Seats Sold above 700	Selling Price per Unit	Net Return after Variable Cost Per Unit (NRAVPU)	(NRAVPU) X Number Sold above 700 Threshold
Logo Double - Orange Seats	1000	300	399 \$	263.00 \$	78,900.00
Variable Cost Per Unit					
Price w/ shipping	\$	399.00			78,900.00
Cost of Seat Re-fabricat	\$	(24.50)			
Cost of Stand up brackets \$27/each (x 3 brackets for doubles)	\$	(81.00)			
Cost Selling, Reconcile, Admin, Cust. Service	\$	(15.50)			
Credit Card Fees (appro	\$	(15.00)			
Net After Variable Cost	\$	263.00			
Total Net Return After Variable Costs (Logo Double Orange)					
LESS Fixed Costs of \$0	\$				
Less Time and Material Costs for Removal (not anticipated but possible per proposal)	\$				
Net Return after all expenses (NRAAE)	\$				78,900.00
Amount Due to Schneider (50% of Profit)					
Amount Due County (50% of Profit)	\$				39,450.00
	\$				39,450.00

** does not factor in Chiefs Season Ticket Member Discount, if taken

Example 3 -- 2500 Total Seats Sold (2500 is maximum available seats for sale)

Seat Type	Total # Sold	# of Seats Sold above 700	Selling Price per Unit	Net Return after Variable Cost Per Unit (NRAVPU)	(NRAVPU) X Number Sold above 700 Threshold
Logo Double -	2500	1800	399 \$	263.00 \$	473,400.00
				Total Net Return After Variable Costs (Logo Double Orange)	\$ 473,400.00
				LESS Fixed Costs of \$0	\$ -
				Less Time and Material Costs for Removal (not anticipated but possible per proposal)	\$ -
				Net Return after all expenses (NRAAE)	\$ 473,400.00
				Amount Due to Schneider (50% of Profit)	\$ 236,700.00
				Amount Due County (50% of Profit)	\$ 236,700.00

Variable Cost Per Unit

Price w/ shipping	\$ 399.00
Cost of Seat Re-fabricat	\$ (24.50)

Cost of Stand

up brackets	
\$27/each (x 3 brackets for doubles)	\$ (81.00)

Cost Selling,

Reconcile, Admin, Cust. Service	\$ (15.50)
Credit Card Fees (appro	\$ (15.00)
Net After Variable Cost	\$ <u>263.00</u>

** does not factor in Chiefs Season Ticket Member Discount, if taken