



Broward County

Legislation Details (With Text)

File #: 21-1101 **Version:** 1

Status: Agenda Ready

In control: County Attorney

On agenda: 6/15/2021 **Final action:** 6/15/2021

Title: A. MOTION TO AUTHORIZE County Administrator to approve and execute an amended and restated agreement regarding the hosting and operation of the 2022 National Senior Games (rescheduled from June 2021) to be held in May 2022, solely between Broward County and the National Senior Games Association, Inc. ("NSGA"), and any amendments thereto, in a maximum amount (the agreement and any amendments combined) not to exceed \$306,250, subject to review of the amended and restated agreement and all future amendments for legal sufficiency by the Office of the County Attorney; and to authorize the County Administrator or her designee to take all necessary administrative and budgetary actions to implement the aforementioned agreement and subsequent amendments.

ACTION: (T-11:41 AM) Approved.

VOTE: 9-0.

B. MOTION TO AUTHORIZE Office of the County Attorney to pursue claims, including the filing of litigation, against International Sports & Health Associates USA, LLC ("ISHA"), for breach of the original tri-party agreement between Broward County, NSGA, and ISHA.

ACTION: (T-11:41 AM) Approved.

VOTE: 9-0.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit 1 - Copy of Original Agreement between Broward County, NSGA, and ISHA

Date	Ver.	Action By	Action	Result
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Broward County Commission Regular Meeting

Director's Name: Andrew J. Meyers

Department: County Attorney

Information

Requested Action

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subsequent amendments.

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B. MOTION TO AUTHORIZE Office of the County Attorney to pursue claims, including the filing of litigation, against International Sports & Health Associates USA, LLC (“ISHA”), for breach of the original tri-party agreement between Broward County, NSGA, and ISHA.

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Why Action is Necessary

A. Pursuant to Section 13.32 of the Broward County Administrative Code, sponsorship agreements (and amendments thereto, unless authority is otherwise delegated) require approval by the Board of County Commissioners (“Board”).

B. Pursuant to Section 1-53(c)(2) of the Broward County Code of Ordinances, approval of the Board is required for the County Attorney to file a lawsuit to assert this type of claim.

What Action Accomplishes

A. Authorizes the County Administrator to approve and execute an amended two-party agreement for the 2022 National Senior Games.

B. Authorizes the County Attorney to pursue claims, including through initiation of legal action, against ISHA.

Is this Action Goal Related

No

Previous Action Taken

Summary Explanation/Background

THE GREATER FORT LAUDERDALE CONVENTION & VISITORS BUREAU (“GFLCVB”) RECOMMENDS APPROVAL OF THIS ITEM.

On January 29, 2019 (Agenda item No. 26), the Board authorized the County Administrator to approve and execute GFLCVB sponsorship agreements and amendments in amounts not exceeding \$1,400,000 in the aggregate. One of these sponsorship agreements was a tri-party agreement between the County, NSGA, and ISHA for the 2021 National Senior Games (the “Games”) with a total sponsorship value of \$1,000,000 (the “Original Agreement”), which is attached hereto as Exhibit 1.

The Games has more than a 50-year history, with the first being held in Los Angeles in 1970. Recent Games have generated participation of more than 10,000 athletes from around the United States, and spectator attendance in excess of 20,000.

Pursuant to the Original Agreement, ISHA, headquartered in South Florida, was to act as the local organizer and operator of the Games. ISHA held itself out as an experienced firm with a successful track record in organizing and administering sports and multidisciplinary events. Pursuant to the Original Agreement, the County's financial sponsorship of the Games included a \$250,000 event fee paid to NSGA ("Event Fee"), and payments totaling \$750,000 to ISHA to be used "solely to defray the costs of the organizing and running of the Games" (the "Local Operator Payment"). The County has paid \$193,750 of the Event Fee and paid \$500,000 of the \$750,000 Local Operator Payment in accordance with the terms of the Original Agreement.

In the fall of 2020, ISHA advised NSGA and the County that it was unilaterally canceling the Original Agreement, claiming that it could not host the games in June 2021 due to the COVID-19 public health emergency. Both NSGA and the County viewed ISHA's unilateral termination of the Original Agreement as improper and placed the company on notice of default and provided it an opportunity to cure by retracting its improper termination. ISHA did not retract its unilateral termination of the Original Agreement.

GFLCVB and NSGA are in the process of finalizing terms regarding an amended and restated two-party agreement ("Amended Agreement") with revised dates for the Games to occur in May 2022 in Broward County. Under the terms being discussed, NSGA would take over the vast majority of the responsibilities ISHA was to perform under the Original Agreement, with the County providing additional logistical support for the Games through GFLCVB staff. Under the proposed Amended Agreement, the remaining \$56,250 of the Event Fee and the \$250,000 the County had not yet paid to ISHA at the time ISHA unilaterally terminated the Original Agreement will be paid to NSGA to assist it in defraying its costs in taking over the operation, management, and running of the Games. There is no additional direct financial contribution being proposed by GFLCVB towards the Games other than payments originally contemplated under the Original Agreement, but additional assistance from the County may be provided in association with hosting the Games such as the use of County facilities such as parks (to be coordinated through the Parks and Recreation Division) and the use of the Broward County Convention Center.

If Item A is approved by the Board, the County Administrator would be authorized to approve and to execute an amended and restated agreement between Broward County and NSGA for the rescheduled Games in 2022, along with any subsequent amendments that may be required to that agreement, provided there is no additional direct financial contribution or sponsorship being paid by the County to NSGA associated with the Games other than the remaining portion of the Event Fee and the \$250,000 that would have been payable to ISHA had the Games proceeded in 2021.

If Item B is approved by the Board, the Office of the County Attorney will be authorized to pursue legal claims against ISHA associated with its unilateral termination of the Original Agreement. In addition to claims for damages regarding the \$500,000 previously paid to ISHA by the County, there may be additional damages that can be pursued. The statute of limitations for such claims is five (5) years after the date of the claimed breach of the written agreement by ISHA.

Source of Additional Information

Nathaniel A. Klitsberg, Senior Assistant County Attorney, 954-357-7600

Fiscal Impact

Fiscal Impact/Cost Summary

