



# **City of Grand Island**

**Tuesday, May 25, 2010**

**Council Session**

## **Item I2**

**#2010-146 - Approving Lease Agreement for Management and  
Operation of the Racquet Center**

**Staff Contact: Steve Paustian**

# **Council Agenda Memo**

**From:** Steve Paustian, Parks and Recreation Director

**Meeting:** May 25, 2010

**Subject:** Approving Lease Agreement for Management and Operation of the Racquet Center

**Item #'s:** I-2

**Presenter(s):** Steve Paustian, Parks and Recreation Director

## **Background**

In 1984 the City was approached by the owners of the Grand Island Racquet Center to see if there was any interest by the City to purchase the Racquet Center from them. Negotiations took place and the City ended up purchasing the Racquet Center for the taxes owed, approximately, \$30,000.00.

The Park and Recreation Dept. Administrative offices moved to the facility after the purchase and remained there until moving to the new City Hall in 1993. In 1997 proposals were solicited by the City for the operation of the Racquet Center. Scott Norton, owner of the Health-Plex Fitness Center was offered a contract to operate the Racquet Center in 1997. Mr. Norton's lease is set to terminate on May 31, 2010.

## **Discussion**

During the years Mr. Norton has leased the building the floor plan has been modified to allow for a soccer field at the west end of the facility. With the construction of the new City/State Fair building it has been determined it is in the best interest of the City to not allow soccer to continue in the Racquet Center. At about the same time representatives of the Grand Island Tennis Association (GITA) approached the City about the opportunity to submit a proposal to manage the Racquet Center. At a Council study session held earlier this spring it was determined that a Request for Proposals should be developed to allow interested parties the opportunity to submit a proposal to operate the facility.

Two proposals were received, one by Mr. Mark Galvan and the other by the Grand Island Tennis Association. Both proposals were reviewed by the City Administrator and the Parks and Recreation Director. It was the determination of staff that the proposal

provided by the Grand Island Tennis Association best served the interest of the citizens of Grand Island. The Tennis Associations proposal included detailed improvements to be made to the facility and provide an employee currently employed at the Racquet Center to manage day to day operations tennis as the primary activity at the facility. Mr. Galvan's proposal offered an improvement plan and a possible person to operate the facility. His proposal also included providing batting cages and a turf area for softball and baseball practice. These two offerings are planned for by the City at the new Field House.

Proposals were scored against the following evaluation criteria:

- 20% Qualifications of personnel to be assigned to the management and operation of the facility based upon information available at the time of submittal. Other information requested may be requested by the City at a later date;
- 10% Previous experience with facilities of similar scope and nature;
- 25% Proposed lease terms and conditions;
- 20% Proposed approach and scope of services;
- 25% Ability of proposer to meet its commitment.

A meeting was held with representatives of the GITA to review the proposal and discuss terms of a lease. This meeting resulted in the Lease Agreement that is before the City Council for consideration. The Lease Agreement includes a five-year lease term with a 90-day termination clause.

All building and grounds maintenance, including snow removal and mowing, resides with the GITA. Facilities improvements required in the Lease Agreement are contained in Article V.

### **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

### **Recommendation**

It is the recommendation of the Director of Parks and Recreation and the City Administrator that the Council approve the Lease Agreement with the Grand Island Tennis Association.

### **Sample Motion**

Move to approve the Lease Agreement with the Grand Island Tennis Association to operate the Racquet Center.



Dale Shotkoski, Purchasing Agent

*Working Together for a  
Better Tomorrow, Today*

**REQUEST FOR PROPOSAL  
FOR  
MANAGEMENT AND OPERATION OF THE RACQUET CENTER**

**RFP DUE DATE:** March 11, 2010 at 4:00 p.m.

**DEPARTMENT:** Parks & Recreation

**PUBLICATION DATE:** February 21, 2010

**NO. POTENTIAL BIDDERS:** 2

**SUMMARY OF PROPOSALS RECEIVED**

**Grand Island Tennis Association**  
Grand Island, NE

**Mark Galvan**  
Grand Island, NE

cc: Steve Paustian, Parks & Recreation Director  
Jeff Pederson, City Administrator  
Dale Shotkoski, City Attorney

Patti Buettner, Parks Secretary  
Mary Lou Brown, Finance Director

**P1402**

## LEASE AGREEMENT

This Lease Agreement made between the **CITY OF GRAND ISLAND, NEBRASKA**, a Municipal Corporation, hereinafter called the "Lessor" and the **GRAND ISLAND TENNIS ASSOCIATION**, hereinafter called the "Lessee".

WITNESSETH:

### I.

That, in consideration of the covenants herein contained on the part of the Lessee to be observed and performed, the Lessor does hereby demise and lease unto the Lessee all that tract and parcel of land and improvements described as the Grand Island Racquet Center located at 2204 Bellwood Drive, Grand Island, Hall County, Nebraska.

To have and to hold said premises unto Lessee for a term of five (5) years beginning June 1, 2010. It is expressly understood and agreed by and between the parties that either party shall have the absolute right to provide to the other party ninety (90) days written notice to terminate the lease without any cause, at any time during the five (5) year period.

Lessee shall pay as rent therefore the sum of One Dollar (\$1.00) per month due and payable beginning on the first day of June, 2010, and on the first day of each month thereafter.

### II.

The Lessee, for themselves, does hereby covenant with the Lessor:

- a. That the Lessee will pay the said rent at the times and the manner aforesaid, except only in the case of fire or other unavoidable casualty as hereinafter provided.
- b. The Lessee will not allow for any liens or encumbrances to be placed upon the property or improvements of the Lessor.
- c. The Lessee shall provide a comprehensive general public liability insurance policy in the amount of at least One Hundred Thousand Dollars (\$100,000.00) for one person of Three Hundred Thousand Dollars (\$300,000.00) for any one accident involving injury to more than one person, and property damage of not less than Fifty Thousand Dollars (\$50,000.00) for any one accident. The Lessee shall list the Lessor as an additional insured on its general public liability insurance policy.
- d. The Lessee will promptly pay for all utility bills which may become payable during the continuance of this Lease Agreement for all utilities used on said premises.

- e. The Lessee will keep the building and premises, including the plumbing and heating and air conditioning in good repair, reasonable wear and tear and damage by fire or other unavoidable casualty only excepted.
- f. The Lessee will not injure, overload or deface or suffer to be injured, overload or deface the premises or any part thereof.
- g. The Lessee will not make or suffer any unlawful, improper, or offensive use of the premises, or any use or occupancy thereof contrary to any law of the State or any ordinance of the City now or hereafter made, or which shall be injurious to any person or property, or which shall be liable to endanger or effect any insurance on the said building or to be placed upon the building except such as Lessor shall in writing approve.
- i. The Lessee shall not assign, sublet or part with the possession of the whole or any part of the leased premises without first obtaining the written consent of the Lessor.
- j. The Lessor, at any reasonable time, may enter to view the premises and to make repairs which the Lessor may see fit to make, or show the premises to persons who may wish to lease or buy the premises as Lessor may see fit.
- k. That at the expiration of said term, the Lessee will peaceably yield up to the Lessor the premises and all improvements made upon the same, in good repair in all respects, reasonable use and wear and damage by fire or unavoidable casualties excepted, as the same now are and may be put in by the parties.
- l. No consent, express or implied by the Lessor to any breach of any of the Lessee's covenants shall be deemed to be a waiver of any succeeding breach of the same or any other covenant.
- m. Lessee will provide a telephone line to the facility. If Lessee chooses to install an alarm system, Lessee will provide the alarm monitoring service.

### III.

It is also agreed, that in case the leased premises or any part thereof shall at any time during the said term be destroyed or damaged by fire or other unavoidable casualty so as to be unfit for occupancy and use, and so that the premises cannot be rebuilt or restored by the Lessor within one hundred twenty (120) days thereafter, then and in that case this Lease Agreement shall end.

#### IV.

Lessee agrees that it will not discriminate against any employee or applicant for employment to be employed in the performance of this Lease Agreement, with respect to his hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment because of his race, color, religion, national origin or ancestry. The Lessee further agrees to maintain a drug free environment at all times on the leased premises. Breach of this covenant may be regarded as a material breach of the Lease Agreement.

#### V.

Lessee agrees that tennis shall remain the main focus of the Racquet Center and to maintain an appropriate schedule of tournaments and leagues.

The Lessee agrees that in the summer of 2010 it shall:

- Remove indoor soccer walls and turf, and all other soccer apparatus;
- Repair and install insulation as required due to wear and tear;
- Replace lighting throughout the building with new, energy-efficient lighting, and install indirect heating units between courts;
- Remove twenty-four (24) inefficient heating units and eight (8) non-functional air-conditioning units currently mounted above the court areas;
- Resurface both west courts in a U.S. Open blue/green format and replace black curtains with new blue curtains. Install new net posts and new nets. Install player benches between courts;
- Purchase new phone system, desktop computer, and printer for the office, and arrange one empty office as a day-care area;
- Purchase a new sign for the racquet center;
- Address drainage issue to redirect water to sides of the building;

The Lessee further agrees that in the summer of 2013, it shall:

- Resurface existing two east indoor courts in U.S. Open blue/green;
- Build four (4) new lighted outdoor courts on the west side of the Racquet Center, including fencing and benches for the players;
- Build a unisex bathroom at the back of the center, with outside access via a keypad. Use existing apparatus in the non-functional Jacuzzi/storage area. Install sidewalk lighting;
- Rework both men's and women's locker rooms with updated showers and new lighting.

Lessee agrees that it shall be responsible for all landscape maintenance, including all mowing; and, furthermore, including all snow removal. Any landscaping modifications may be performed by Lessee upon obtaining written consent from the Director of the Parks and Recreation Department.



## VI.

The Lessee shall establish the fees that shall be proposed to be adopted by the City Council for the City of Grand Island, and Lessee agrees to honor and abide by those fees in all uses of the facility. The proposed schedule of fees shall be:

- Annual memberships:

Adult Individual	\$225
Adult Family	\$375
Junior	\$125
Senior (65+)	\$175
Young Adult (<30)	\$175

Paid annually or deducted monthly via ACH.
- Indoor court fees:

Prime time 5-9 p.m.	\$24/hour
Non-prime	\$18/hour
Weekends	\$22/hour
Youth and Senior	\$15/hour
- Outdoor court fees: \$ 2/person  
Zero daily fee charge.
- High School/College rental: \$14/hour  
Will be able to entice UNK and Hastings to use our facility during their winter season, with programmed collegiate events.
- Private parties::

Bi-weekly Friday Fun	\$30/2 hr. session per child
----------------------	------------------------------

Includes tennis, popcorn, drink, and movie
- Non-member daily fee: \$ 8/day in addition to court fees  
Intended for out-of-town guests, and those who have not jointed.  
We would encourage occasional users to become members to Reduce their overall costs, and to increase play.

Lessee agrees to hours of operation as follows:

Weekdays	9 a.m. – 1 p.m. and 4 p.m. – 9 p.m.
Weekends	9 a.m. – 6 p.m.
Summer hours	Flexible indoor hours based on weather Open entire weekend for outdoor courts

## VII.

Upon the expiration of the initial five (5) year term of the lease, the parties agree that the parties shall have the option to renew the lease for an additional five (5) one-year terms. If the annual extensions of the lease are approved, the Lessee agrees that in the summer of 2015, it shall:

- Build one additional lighted outdoor court adjacent to current courts on north side of Racquet Center;
- Resurface two existing outdoor courts and add outdoor lighting, along with new net posts and nets. Add benches between courts and new wind breaks;
- Build viewing area above current lobby/viewing area, and install two staircases for access, with glass dividing railings.

All notices of default, termination, and insurance coverages outlined in any other portion of this lease shall be binding for any of the extensions.

## VIII.

Lessee agrees to indemnify the Lessor for any claim made by the Lessee's employees or by any other persons, for personal injury or property damage arising out of the Lessee's use of equipment on the premises or equipment brought onto the premises after the commencement of this Lease Agreement, which Lessee agrees to accept at all times during the term of this Agreement as is, where is, and the Lessor has no responsibility for its condition or state of repair. Lessee agrees not to remove from the Lessor's premises any equipment or property located on the leased premises at the commencement of this Lease, except as authorized in writing by the Lessor.

## IX.

Before exercising any remedies for breach, default or failure to perform under this Lease Agreement, the defaulting party shall be given thirty (30) days written notice of such default or failure to perform. If the act is such that it cannot be cured within a thirty (30) day period, this period may be extended upon written agreement of the parties, providing that the defaulting party commences to cure such default within said 30 day period and proceeds diligently thereafter to effect such cure.

## X.

In the event either party institutes legal proceedings against the other for breach of this Lease Agreement, the party against whom a judgment is entered shall pay all reasonable costs and expenses relative thereto, including reasonable attorney fees.

IN WITNESS WHEREOF, the parties hereby have executed this Lease Agreement.

Attest:

CITY OF GRAND ISLAND, NEBRASKA,  
A Municipal Corporation, Lessor

\_\_\_\_\_  
RaNae Edwards, City Clerk

By: \_\_\_\_\_  
Margaret Hornady, Mayor

Approved as to form by City Attorney \_\_\_\_\_  
Approved by Resolution 2010-\_\_\_\_\_

STATE OF NEBRASKA )  
                                  ) SS.  
COUNTY OF HALL     )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2010, by Margaret Hornady, Mayor on behalf of the City of Grand Island, Nebraska, a municipal corporation.

\_\_\_\_\_  
Notary Public

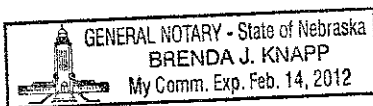
GRAND ISLAND TENNIS ASSOCIATION,  
Lessee

By: \_\_\_\_\_  
Matt Westfall, President

By: \_\_\_\_\_  
Phil Maltzahn, Secretary

STATE OF NEBRASKA )  
                                  ) SS.  
COUNTY OF HALL     )

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of May, 2010, by Matt Westfall, President of the Grand Island Tennis Association.



\_\_\_\_\_  
Brenda J. Knapp  
Notary Public

STATE OF NEBRASKA )  
 ) SS.  
COUNTY OF HALL )

The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of May, 2010,  
by Phil Maltzahn, Secretary of the Grand Island Tennis Association.



Brenda J. Knapp  
Notary Public

R E S O L U T I O N    2010-146

WHEREAS, the Grand Island Racquet Center has been operated by the City of Grand Island since February, 1984; and

WHEREAS, the City Council recommended that the Racquet Center situation be reviewed with specified goals for the facility and that requests for proposals be solicited to accomplish those goals; and

WHEREAS, the City of Grand Island invited proposals for Management and Operation of the Racquet Center; and

WHEREAS, on March 11, 2010, proposals were received, reviewed and evaluated in accordance with established criteria; and

WHEREAS, the Grand Island Tennis Association in Grand Island, Nebraska, submitted a proposal in accordance with the terms of the request for proposal being a five-year lease with five additional one (1) year renewal options containing a financial commitment for annual improvements to the facility; and

WHEREAS, a Lease Agreement has been reviewed and approved by the City Attorney's office.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the proposal of the Grand Island Tennis Association for management and operation of the Racquet Center is hereby approved.

BE IT FURTHER RESOLVED, that the Mayor be, and hereby is, authorized and directed to sign on behalf of the City of Grand Island, a Lease Agreement by and between the City and the Grand Island Tennis Association, for such project.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, May 25, 2010.

\_\_\_\_\_  
Margaret Hornady, Mayor

Attest:

\_\_\_\_\_

Approved as to Form	☐ _____
May 21, 2010	☐ City Attorney

RaNae Edwards, City Clerk