



City of Grand Island

Tuesday, October 18, 2011

Study Session

Item -3

Update Concerning the Racquet Center

Staff Contact: Steve Paustian

Council Agenda Memo

From: Todd McCoy, Recreation Superintendent

Meeting: October 18, 2011

Subject: Racquet Center Update

Item #'s: 3

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

Background

The Racquet Center is located at 2204 Bellwood Drive. It is a City owned facility that is currently leased to the Grand Island Tennis Association to provide tennis opportunities to the public. The Tennis Association lease is currently in year one of a five year agreement.

Discussion

In the lease agreement with the City the Tennis Association promises three phases of improvements to the facility. The first phase of improvements have been complete which include: removing the indoor soccer area, repairing insulation, upgrading lighting, resurfacing courts, fixing water drainage issues, and updating heating units. Phases two and three are due to be completed by 2013 and 2015.

Conclusion

This item is presented to the City Council in a Study Session to allow for any questions to be answered and to create a greater understanding of the issue at hand.

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Racquet Center Background

- 1984 City acquired Racquet Center from private group for the amount of back taxes owed, approximately \$30,000.
- Until 1993 the Parks and Recreation Administrative office was located at the Racquet Center.
- From 1997 to 2010 the Health-Plex Fitness Center leased the facility for \$1 annually to offer indoor tennis and later soccer.

-  The Grand Island Tennis Association expressed interest in managing and updating the facility.
-  On June 1, 2010 the Tennis Association began operating the facility under a five year agreement with the City.
-  In the agreement the Tennis Association
 -  Pays the City \$1 per month
 -  Is responsible for utility bills, repairs, and general upkeep.
 -  Agrees to keep tennis as the main focus and maintain tournaments and leagues.

Tennis Association Facility Updates

 In the agreement the Tennis Association promised to updated the facility in a series of phases.

Phase 1 (2010): Remove indoor soccer court, repair insulation as required, replace lights with new energy-efficient lighting, remove heating and air-conditioning units, resurface two courts, remodel office area, add daycare area, purchase new sign, and address drainage issue around building.

Phase 2 (by 2013): Resurface two courts (done), build four new lighted outdoor courts on property, build unisex bathroom with outside access, and rework locker rooms with updated showers and lights.

Phase 3 (by 2015): Build one additional outdoor court adjacent to current north courts, resurface the two existing outdoor courts, and build viewing area above lobby.

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Completed Improvements

2005



2011



Lobby

2005



2011



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Lounge

2005



2011



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Indoor Tennis Courts

2005



2011



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Soccer to Tennis

2005



2011



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Lights & Heat

2005



2011



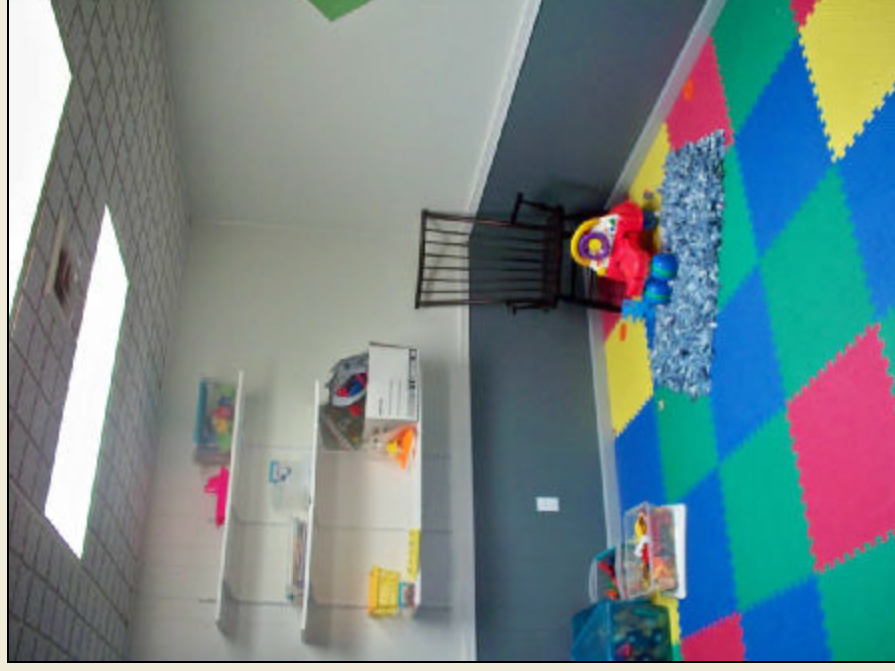
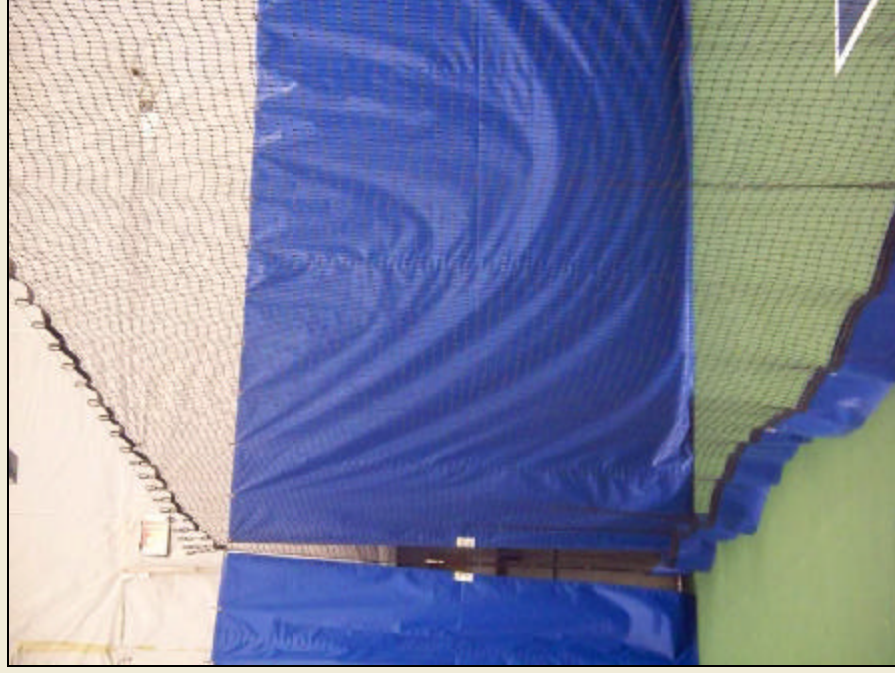
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Other Improvements



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
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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.

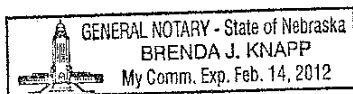
Before exercising any remedies for breach, default or failure to perform under this Lease Agreement, the defaulting party shall be given thirty (30) days written notice of such default or failure to perform. If the act is such that it cannot be cured within a thirty (30) day period, this period may be 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.

STATE OF NEBRASKA)
) SS.
COUNTY OF HALL)

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



Brenda J. Knapp
Notary Public