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Title: A Resolution Approving an Agreement Between the City of Colorado Springs and Life Time Fitness Regarding the Construction and Operation of the John Venezia Community Park Tennis and Pickleball Facility

Presenter: Sarah Bryarly, Landscape Architect Kim King, Recreation and Administration Manager

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A Resolution Approving an Agreement Between the City of Colorado Springs and Life Time Fitness Regarding the Construction and Operation of the John Venezia Community Park Tennis and Pickleball Facility

Presenter:

Sarah Bryarly, Landscape Architect Kim King, Recreation and Administration Manager

Summary:

A public/private partnership opportunity between the City of Colorado Springs and Life Time Fitness has been identified to provide public recreation opportunities and advance the construction and operation of the tennis and pickleball facility at John Venezia Community Park. Life Time Fitness will provide up to \$1 million to fund the construction of six tennis courts, four pickleball courts, lighting for one tennis court and the pickleball courts, and a joint use tennis pro-shop and recreation services satellite office. On behalf of the Parks, Recreation and Cultural Services Department, Life Time Fitness will provide operation and programming of the tennis and pickleball courts including classes and league play. A percentage of the proceeds received by Life Time Fitness from fees charged for classes and leagues will be returned to the City for ongoing maintenance of the tennis and pickleball facility. General public access to the tennis and pickleball courts will be provided throughout the term of the agreement. The proposed agreement will have a five year term. The agreement may be

extended for four additional five year terms upon written agreement of the City and Life Time Fitness.

Previous Council Action:

N/A

Background:

On April 16, 2015 the City of Colorado Springs entered into a contract with Blue Ridge Construction to begin construction of the 30-acre John Venezia Community Park. Construction of Phase I of the park is underway and is scheduled for completion in early 2017. Additional funding is necessary for construction of Phase II of the park, including construction of tennis courts, pickleball courts and sports field lighting. The Parks Department has been actively seeking grants and partnership opportunities to complete the construction of this long awaited community park.

In 2015, Life Time Fitness approached the Parks Department to enquire about the tennis and pickleball courts within John Venezia Community Park. With the location of Venezia Park two blocks away from their existing Powers facility and with the City unable to fund the courts, Life Time Fitness offered to pay for the installation of the six tennis courts, four pickleball courts, to include lighting of one tennis court and the pickleball courts, and requested to convert the Hay Loft Shade Shelter into a Pro-Shop/Recreation Services satellite office. The cost of these improvements is estimated to be up to \$1 million.

These initial discussions were expanded to include opportunities for operation and programming of the facilities. Life Time Fitness has agreed to operate and program the tennis and pickleball facility. At least one tennis court and one pickleball court will remain available for public “drop-in” play. Per the terms of the agreement, Life Time Fitness will have the ability to program the remaining courts with classes and league play. Participants of the classes and leagues need not be Life Time Fitness members. Life Time’s annual operating plan and price list for upcoming fiscal years must be approved by the Parks Department to ensure they are compatible with other City programs and classes. Life Time Fitness also agrees to pay a percentage (5%) of gross revenue to the Parks Department for use of the courts; this funding will be earmarked for ongoing maintenance and upkeep of the facility. Additionally Life Time Fitness will staff the facility, with pros during operational hours, providing support to participants of the classes, leagues and the general public. All improvements made to Venezia Park will be the property of the City of Colorado Springs.

Per the stipulations of the agreement the Parks Department will be responsible for providing appropriate bins for trash and recycle materials, lawn care around the facility such as watering, cutting, and leaf removal, snow plowing and snow removal, light replacement, plumbing, building wear, electrical and fence maintenance. The City shall provide at its sole cost all repairs and general facility maintenance during the term of the Agreement that are not the result of actions caused by the negligence of Life Time or its employees or volunteers. Life Time Fitness shall keep the facility free of trash, debris, and water and maintain the overall cleanliness of the Facility, including its restrooms. Life Time shall install, adjust, remove and maintain the Facility’s nets and windscreens. In addition Life Time will be responsible for supplying all court teaching supplies including but not limited to, balls, racquets, nets, hoppers, baskets, targets, prizes, gifts, awards, and other items deemed necessary by Life Time Fitness relative to tennis and pickleball programming.

The terms of the agreement will be from April 2016 to January 1, 2021. The agreement may be extended for four additional five year terms upon the written agreement of the City and Life Time Fitness. The agreement will be evaluated at the end of each term prior to any decision to extend the

agreement.

The cost to construct John Venezia Community Park is \$12 Million dollars. The Parks Department has contributed \$8.5 Million from the Public Space and Development Fund (aka Parkland Dedication Ordinance or PLDO Fund) and \$2.45 Million from the Trails, Open Space and Parks Program (TOPS). The Parks Department is currently seeking a Great Outdoors Colorado Grant (\$350,000) for the Universally Accessible Playground, a Christopher & Dana Reeve Foundation, Quality of Life Grant (\$25,000) for the Sprayground, and a grant from the US Tennis Association (\$20,000) for the tennis facilities. The Parks Department was not successful in receiving a US Soccer Foundation grant (\$50,000) for the multi-use field lights. The Parks Department will resubmit for this grant in the summer of 2016. The Parks Department will submit for a Rubber Rebate once the artificial turf and playground surfacing is installed. This rebate amount varies depending on the amount of money the State has each year, but the range is typically between 50-75% of the project cost. The rebate, if received, for Venezia would be in the range of \$95,000-\$142,000. The Parks Department has also been working with City Staff to cost share in the portion of the Briargate Trail within the undeveloped portions of the park. This would equate to roughly \$126,000. The Parks Department is also talking with Colorado Springs Utilities to see if there are energy rebates available for the use of LED lights at the tennis courts or if there is an opportunity to partner on the multi-use field lighting. If all these funding opportunities come to fruition all elements of the park will be completed in Phase 1. However, if we are unable to obtain this funding these elements will need to be rolled into a Phase 2.

This item supports the City's strategic goal relating to building community and collaborative relationships through the opportunity to partner with a private entity to provide additional recreational facilities at no cost to the City as well as offering enhanced programming to the community.

Financial Implications:

Life Time Fitness has agreed to provide up to \$1 million to advance the construction of the tennis and pickleball facility at John Venezia Park. Life Time Fitness has agreed to staff, operate and provide programs at the tennis and pickleball facility. A percentage of gross revenue (5%) received by Life Time Fitness through operation of the facility will be returned to the City to support ongoing maintenance costs.

Board/Commission Recommendation:

The Parks and Recreation Advisory Board recommend approval of the John Venezia Community Park Tennis and Pickleball Facility Agreement based on the presentation made during their March 10, 2016 meeting.

Stakeholder Process:

The presentation made at the Parks and Recreation Advisory Board on March 10, 2016, served as an opportunity for input from both citizens and interested organizations. Comments received during that meeting were vetted and, where applicable, incorporated into the proposed Facility Agreement.

Alternatives:

Should the agreement with Life Time Fitness not be approved, the construction of the tennis and pickleball facility would be rolled into a Phase 2 to be completed at a later date.

Proposed Motion:

Motion to approve an Agreement between the City of Colorado Springs and Life Time Fitness Regarding the Construction and Operation of the John Venezia Community Park Tennis and Pickleball Facility.

N/A