

**City of Carson City
Agenda Report**

Date Submitted: October 11, 2011

Agenda Date Requested: October 20, 2011

Time Requested: 20 Minutes

To: Mayor and Supervisors

From: Parks and Recreation Department

Subject Title: Action to direct staff to utilize a Facility Rental Agreement with the Boys and Girls Club of Western Nevada for the proposed Multi-Purpose Athletic Center.
(Roger Moellendorf, Parks and Recreation Director)

Staff Summary: The Parks and Recreation Department is proposing to abandon the idea of using a Joint Use Agreement for providing the Boys and Girls Club of Western Nevada with use of the proposed Multi-Purpose Athletic Center (MAC) and instead is recommending the use of a Facility Rental Agreement for this purpose.

Type of Action Requested: (check one)

☐ Resolution ☐ Ordinance
☒ Formal Action/Motion ☐ Other (Specify)

Does This Action Require A Business Impact Statement: ☐ Yes ☒ No

Recommended Board Action: I move to direct staff to utilize a Facility Rental Agreement with the Boys and Girls Club of Western Nevada for the proposed Multi-Purpose Athletic Center.

Explanation for Recommended Board Action: During the July 7, 2011, Board of Supervisors meeting, Parks & Recreation Department staff presented a recommendation to change the Indoor Recreation Center project to a Multi-Purpose Athletic Center (MAC). Staff's initial direction was to develop a joint use agreement between the City and the Boys & Girls Club for mutual use of facilities. The purpose of a joint use agreement was to determine and govern the shared use of the Indoor Recreation Center and facilities owned by the Boys and Girls Club between the City and the Boys and Girls Club. A joint use agreement was also intended to determine the shared operational costs of the Indoor Recreation Center between the two parties.

During the July 7, 2011, meeting the Board directed staff to return with a joint use agreement and a new Memorandum of Understanding (MOU) between the two parties, as well as a projected operations budget for the MAC to the Board for approval. Since that meeting, staff has met with Boys and Girls Club representatives and the Parks and Recreation Commission to discuss a facility rental process instead of a joint use agreement for providing use of the MAC by the Boys & Girls Club for their programs and activities. Staff believes a facility rental agreement is a more direct and simple process than a joint use agreement and can be handled administratively, eliminating the need of a joint use agreement and a MOU. Staff also believes a facility rental agreement would be simple yet still provide a straight forward approach to ensure adequate protection and assurance for the use of the MAC by both parties. After reviewing anticipated City needs, staff has no planned routine use of the Boys & Girls Club facilities. This lends credence to the use of a facility rental agreement in that the agreement is oriented in one direction, that being the rental of the MAC by the Boys & Girls Club from the City. A facility rental agreement will provide revenue to the City to assist with the operation costs incurred by the Boys and Girls Club's use of the facility and allow the Boys and Girls Club to budget and control their costs associated with the use of the MAC in an efficient and effective manner.

A facility rental agreement would be based on an hourly rate for one gym (one half of the gym area). The hourly rate would be based on the cost to operate and maintain the facility. The gym rental would be based on a four hour minimum. The total rental cost would be in the form of a credit from the budgeted \$120,000 Quality of Life fund support from the Board of Supervisors to the Boys and Girls Club. The Parks and Recreation

Department would annually review and approve a schedule submitted by the Boys & Girls Club for the use of the facility. Once the fee structure is finalized it will be brought to the Parks & Recreation Commission for their review and recommendation and to the Board for final approval. Once approved and adopted, this fee structure can also be used for other rental requests. The Parks & Recreation Commission addressed this proposal during their October 4, 2011, meeting and is recommending approval by the Board of Supervisors.

Attached as supporting material are the minutes from the Board of Supervisors' July 7, 2011, meeting and a projected Operations Budget for the MAC. This is only a projected budget. Because the project may not be completed until the 2013/14 Fiscal Year, staff realizes there is time to fine tune the budget. Therefore, staff is not recommending formal action on the budget at this time.

Applicable Statue, Code, Policy, Rule or Regulation: Carson City Charter, Section 2.140

Fiscal Impact: N/A

Explanation of Impact: N/A

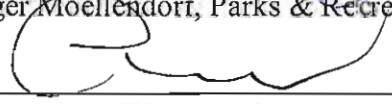
Funding Source: N/A

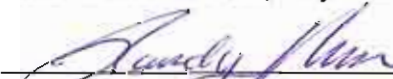
Alternatives: Reject the facility rental agreement proposal and direct staff to bring back an alternative proposal.

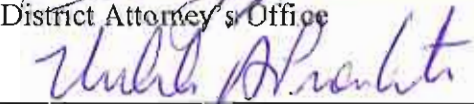
Supporting Material:

- 1) Multi-Purpose Athletic Center (MAC) Proposed Operations Budget
- 2) Board of Supervisors' July 7, 2011, meeting minutes

Prepared By:  Date: 10/11/11
Roger Moellendorf, Parks & Recreation Director

Reviewed By:  Date: 10/11/11
Lawrence A. Werner, City Manager

 Date: 10/11/11
District Attorney's Office

 Date: 10/11/11
Finance Department

Board Action Taken:

Motion: _____ 1: _____ Aye/Na
2: _____

(Vote Recorded By)

**MULTI-PURPOSE ATHLETIC CENTER (MAC) PROPOSED OPERATIONS
BUDGET**

BUDGET

Expenses

Supplies and Equipment	\$ 10,000
Contractual Services inc. Custodial	\$ 48,500
Utilities	\$ 90,000
 Total	 \$148,500

Revenues

City Support**

A. General Fund	\$ 69,300
B. Quality of Life Maintenance	\$ 40,000
Boys & Girls Club	\$ 20,000
Adult & Youth fees @ \$5/participant	\$ 9,000
Sports Tournaments & Rentals	\$ 10,200

Total \$148,500

General Fund support: 46.6%

****As sales tax revenues increase, funding from the Quality of Life Fund would also increase, decreasing the General Fund support.**

CARSON CITY BOARD OF SUPERVISORS
Minutes of the July 7, 2011 Meeting
Page 6

Scorecard, subject to the changes on the record. Supervisor Walt seconded the motion. Motion carried 5-0.

16(B) POSSIBLE ACTION TO ADOPT A RESOLUTION AUTHORIZING EXPENDITURES OF FUNDS TO NON-PROFIT ORGANIZATIONS FOR FY 2011 / 2012 (9:51:14) - Mayor Crowell introduced this item, and Mr. Werner reviewed the agenda materials. Mayor Crowell entertained public comment and, when none was forthcoming, a motion. **Supervisor Abowd moved to adopt Resolution No. 2011-R-26, a resolution authorizing expenditures of funds to nonprofit organizations for fiscal year 2011 / 2012. Supervisor Aldean seconded the motion. Motion carried 5-0.**

17. TREASURER - PRESENTATION OF UPDATED CITY INVESTMENT POLICY AND POSSIBLE ACTION TO ACCEPT THE POLICY, AS PRESENTED (9:52:45) - Mayor Crowell introduced this item, and Treasurer Al Kramer reviewed the agenda materials. In response to a question, he advised of no changes to the subject policy. In response to a further question, he advised of anticipating that interest rates will increase if Congress defaults on the national debt. Discussion followed. Mayor Crowell entertained public comment and, when none was forthcoming, a motion. **Supervisor McKenna moved to accept the policy, as presented. Supervisor Walt seconded the motion. Motion carried 5-0.** Mayor Crowell recessed the meeting at 9:58 a.m. and reconvened at 10:09 a.m.

18. PARKS AND RECREATION DEPARTMENT - POSSIBLE ACTION TO APPROVE A CONCEPTUAL SITE AND BUILDING DESIGN CONCEPT FOR THE MULTI-PURPOSE ATHLETIC COMPLEX AT THE BOYS AND GIRLS CLUBS AND TO DIRECT STAFF TO PROCEED WITH HIRING VALENTINER CRANE ARCHITECTS AS THE PROJECT DESIGNER (10:09:17) - Mayor Crowell introduced this item. Parks and Recreation Department Director Roger Moellendorf introduced Parks Planner Vern Krahn, and reviewed the agenda materials in conjunction with displayed slides. In response to a question, Mr. Moellendorf estimated the cost of the original design plans at several hundred thousand dollars. He responded to questions of clarification relative to facility programming, the configuration of the facility on the site, future expansion, and facility maintenance. In response to a further question, discussion took place with regard to funding sources. Supervisor Aldean expressed the opinion that "if there's an opportunity ... we shouldn't accept anything but 100 percent cost recovery and ... we need to make a pitch to the Convention and Visitors Bureau ("CCCVB"), we need to get the lodging properties on board and willing to assess themselves based on the assumption that this is going to be beneficial to their businesses." Supervisor Aldean expressed an unwillingness to accept anything less than 100 percent cost recovery. "... looking at these numbers, we can do it if we have a 1 percent room tax increase and, given all the conversations that have taken place previously, ... this is the sort of the facility that [the lodging properties] are desirous of."

Supervisor Walt advised that the operating plan was not presented to the Parks and Recreation Commission or the CCCVB. "And when the discussion did come about with the lodging properties, they had concern on location for tournaments. ... A concern that they had was location, the parking, and the bleachers." Supervisor Walt noted that the parking issue seemed to have been addressed by the proposed design, but was uncertain as to whether "the spectatorship" had been addressed. She advised that the CCCVB is being asked by several entities to increase room tax, and expressed the belief that there would be no increased tax revenue allocated to the project "until after a year or two to see that they're going to gain anything from this." In response to a question, Mr. Moellendorf expressed the belief that the MAC may lessen the Recreation Division's reliance on the middle school courts for youth and adult basketball in the short-term. In the long-term, however, he expressed the belief that the facility will "grow programs. ... we'll see an

CARSON CITY BOARD OF SUPERVISORS
Minutes of the July 7, 2011 Meeting
Page 7

increase in participation and attendance and programs that will probably make it mandatory or make it incumbent that we will have to continue to use school district facilities to some degree.” He noted that the MAC would accommodate “in-City league type of programs but ... also ... tournaments ... It also should be able to accommodate community-wide special events ... And so when those special events are happening, there could also be, at that point, a conflict between the programs that we generally run and the schedule of those special events.” In response to a further question, Mr. Moellendorf referred to a budget line item for adult and youth program fees. “We anticipate that we would have a surcharge of some kind of fee to help support this facility for the use that it incurs.” In response to a further question, he clarified that the line item represents a fee increase “to help offset the costs of running that facility.” He responded to additional questions of clarification regarding the walking / running / jogging track and hours of operation. In response to a previous question, he discussed spectator seating and parking in conjunction with displayed drawings. Mr. Moellendorf reviewed that portion of the agenda report relative to staff’s recommendation to retain the current consultant.

Mayor Crowell entertained public comment. (10:45:50) In response to a question, Supervisor Walt and Mr. Moellendorf explained to Maurice White the reason for the apparent discrepancy between the size of that portion of the project site being addressed by Valentiner Crane and the portion being addressed by Lumos & Associates. Mr. Krahn provided additional clarification.

Mr. Moellendorf acknowledged staff’s request for the Board to approve the conceptual site and building design concept for the MAC and for direction to have Valentiner Crane Architects prepare a professional services contract. Supervisor Aldean reiterated concerns regarding the project budget, and a preference to discuss possible funding with the Convention and Visitors Bureau and lodging property representatives. In response to a question, Mr. Moellendorf advised that the economic benefits from tournaments are derived from participants who travel from “100 miles or more because those are the people who are likely going to get lodging in Carson City.” He further advised that operating costs will be “very low because we’re going to operate this facility with the program staff that we have ...”

Supervisor Aldean inquired as to whether the Boys and Girls Clubs of Western Nevada would be willing to allocate the full amount of their subsidy to make the project more affordable for the City. (10:50:07) Boys and Girls Clubs of Western Nevada Executive Director Hal Hansen expressed excitement over the project, and a willingness to enter into negotiations regarding funding. He expressed uncertainty that the Boys and Girls Clubs would be able to allocate the full subsidy, and the belief that the Boys and Girls Clubs would be able to provide staffing “that will really cut some costs.” Supervisor Aldean expressed a preference to have these discussions prior to requesting Valentiner Crane to develop a professional services contract. Discussion took place regarding the operating costs, funding sources, and the direction of the Board.

In reference to the Quality of Life Initiative, Supervisor McKenna commented, “We have a clear direction from the voters; perhaps not the money.” He noted the number of years the Board and City staff have been negotiating details of the project, and reviewed past Board direction. He suggested “the real decision is whether or not we’re going to go and build a gym at the Boys and Girls Clubs ... or whether we’re going to scrap the project and get the money back to the voters.” He expressed the opinion that constructing the gym should be done “when times are cheap and jobs are needed and we’ll figure out whether it’s an \$80,000 a year subsidy or \$120,000 from CCCVB. But there comes a time when you have to make a decision and live with the consequences and I think we’re fairly close to it. We either scrap this project or let’s get it built.” Mayor Crowell concurred.

CARSON CITY BOARD OF SUPERVISORS
Minutes of the July 7, 2011 Meeting
Page 8

In consideration of the CCCVB, Supervisor Abowd inquired of Supervisor Walt whether "this 1 percent is calculated on an actual benefit or do we have a percentage that tournament play actually helps lodging properties in town." Supervisor Walt advised that the lodging property representatives have reported "that over 90 percent of what they bring in is from tournament play, and the CCCVB ... does give Parks and Rec close to ... \$85,000. And ... that money is used for marketing tournaments." Based on previous discussions, Supervisor Walt stated "if the City could prove ... that this is going to bring in tournament play on the off seasons, [the lodging property representatives] would be all for it because their summer season is what carries them over into the off season." Supervisor Abowd noted that the lodging property representatives have expressed support for the facility, and expressed the opinion that the process should move forward. Supervisor Walt agreed, and discussed the importance of a commitment from the Boys and Girls Clubs and starting a conversation with the CCCVB prior to hiring the architects. She emphasized the need for the facility. In reference to Supervisor Walt's comments, Mr. Moellendorf emphasized that the facility "is not just for tournaments and not for bringing people ... We have a severe shortage of facilities just for our day-to-day recreational use to the point where it doesn't even allow us to expand our offerings and programs that we can give particularly to the youth."

Supervisor Aldean provided historic information on the original project design, and expressed a preference for everything to be lined up prior to making a critical decision. She advised of having reviewed the memorandum of understanding and the draft joint use agreement, noting that both are now obsolete. She expressed no problem with approving the conceptual site plan, but reiterated concern over "hoping on a lick and a promise that everything's going to turn out okay ... especially when money is so tight." She expressed a preference for discussing additional cost savings with Boys and Girls Clubs representatives, and suggested reconsidering the splash pad in terms of additional revenue. She acknowledged the frustration over the number of iterations, but emphasized the importance of "do[ing] this right. ... we don't want to have any buyer's remorse at the end of the day ..." She suggested selecting concept B and "do[ing] some additional work to ensure that all of these details have been considered."

Supervisor McKenna suggested "we can solve problems when we're actively working toward the answers. ... If we're going to go forward, let's put a time frame on this thing and let's get it done. And, if we're not going to go forward, let's abandon it and give the money back to the voters." Mayor Crowell agreed "it's time to fish or cut bait." He further agreed that "we need to get the ducks in a row," but expressed concern over further delaying the project.

Mayor Crowell entertained additional public comment. (11:08:35) Don Smit provided background information on his residence in Carson City, and advised of having recently had the opportunity to work with Mr. Moellendorf, Mr. Krahn, and other Parks and Recreation Department staff "for a period of about a year." Mr. Smit commended the MAC as "a wonderful project [that's] really needed." He provided background information on the batting cage at Governor's Field, constructed by Carson City Little League, and discussed its benefits. He expressed reservation over the subject process. In reference to Supervisor Aldean's comments, Mr. Smit stated, "You've gone through this once before with the proposed recreation center that was going to be at this site and all the ducks weren't in a row and you moved ahead and spent just a little less than \$1 million that is never going to be used. It's gone. That roll of drawings weighs about 55 pounds and that structure will never be built." He expressed concern over moving forward with a design "again with the potential of wasting money, large sums of money, until you know where everything's going to come from." In reference to Supervisor McKenna's comments, Mr. Smit estimated that 30 percent could be saved on construction costs "by building this structure now versus what you would've spent three years ago." He expressed opposition to "using architects and engineers in Salt Lake City for a project built in Carson City." He expressed the opinion that the first building design was "very

CARSON CITY BOARD OF SUPERVISORS
Minutes of the July 7, 2011 Meeting
Page 9

intricate and ... needed the help of a Brent Tippetts. ... this is a barn. This is a rectangular building that three of the architects in this town could easily handle, the structural engineers could handle; and you're talking a large amount of money that could be put right back into the community when we start this." Mr. Smit noted the travel costs associated with having a consultant visit Carson City. He expressed concern that the project is "taking way too long." Mr. Smit expressed appreciation for Mr. Tippetts, "but we have local guys here that are struggling just like you. They should have the opportunity ... to do this job."

Mayor Crowell entertained additional public comment; however, none was forthcoming. Mayor Crowell provided an overview of the discussion which took place prior to Mr. Smit's arrival, and expressed agreement "regardless of how we go, we've got to get this thing moved somewhere." He expressed concern over relying on the CCCVB, and discussed the Board's obligation to the Boys and Girls Clubs and to the community. He acknowledged concern over the general fund, and reiterated the importance of moving forward. In response to a question, Mr. Moellendorf reviewed the time table necessary for revising the memorandum of understanding and the draft joint use agreement. Supervisor Aldean suggested providing the Board with the documents well in advance of the time a decision is required. In response to a further question, Mr. Moellendorf anticipated being able to have the documents revised within a month.

Mayor Crowell entertained a motion to approve Concept B, without moving further until the Parks and Recreation Department presents a revised memorandum of understanding, a revised draft joint use agreement, and a final project budget. Mayor Crowell expressed personal frustration over the length of time associated with the subject project. He entertained a motion. Supervisor Aldean moved Mayor Crowell's recommended motion, including review of additional revenue sources which would include a conversation with the CCCVB and looking into the feasibility of adding a splash pad; if that's too complex, we can avoid that. Mr. Werner advised that the splash pad would revise the entire project concept because of the requirement to hire staff. Supervisor Aldean retracted the splash pad portion of her motion, and reiterated the desire to discuss funding with the CCCVB and the Boys and Girls Clubs. Discussion followed, and **Mayor Crowell moved to approve concept B, to direct staff to bring back the joint use agreement with the Boys and Girls Clubs, the memorandum of understanding, and the final budget at the second meeting in August; if the parties cannot get that done, everybody runs the risk that the project will go away. Supervisor McKenna seconded the motion.**

Mayor Crowell entertained additional public comment. (11:20:30) Don Smit inquired as to whether the Board would direct staff to consider local architecture and engineering firms to provide proposals. He reviewed the construction time table associated with waiting until the second Board meeting in August to make a decision. Mayor Crowell called for a vote on the pending motion. **Motion carried 5-0.**

19. PUBLIC WORKS DEPARTMENT, PLANNING AND ZONING DIVISION - POSSIBLE ACTION TO ADOPT BILL NO. 106, ON SECOND READING, AN ORDINANCE TO CHANGE THE ZONING OF APN 002-101-81, LOCATED SOUTH OF NORTHRIDGE DRIVE AND EAST OF ROOP STREET, FROM SINGLE FAMILY 6000 (SF6) TO PUBLIC COMMUNITY (PC) (11:22:15) - Mayor Crowell introduced this item and, in response to a question, Planning Division Director Lee Plemel advised of no changes since introduction on first reading. Mayor Crowell entertained public comment and, when none was forthcoming, a motion. **Supervisor Aldean moved to adopt Bill No. 106, on second reading, Ordinance No. 2011-6, an ordinance to change the zoning of APN 002-101-81, located south of Northridge Drive and east of Roop Street, from single-family 6,000 to public community, based on the findings contained in the staff report. Supervisor Walt seconded the motion. Motion carried 5-0.**