



CITY OF COSTA MESA

77 Fair Drive
Costa Mesa, CA 92626

Agenda Report

File #: 23-1295

Meeting Date: 7/18/2023

TITLE:

COSTA MESA TENNIS CENTER OPERATIONS

DEPARTMENT: FINANCE DEPARTMENT

PRESENTED BY: CAROL MOLINA, FINANCE DIRECTOR

CONTACT INFORMATION: CAROL MOLINA, FINANCE DIRECTOR, (714) 754-5243

RECOMMENDATION:

Staff recommends the City Council:

1. Award an operation agreement to Agape Tennis Academy for the Management and Operation of the Costa Mesa Tennis Center.
2. Authorize the City Manager or her designee to negotiate the terms and conditions for the financial share between the City and Agape Tennis Academy.
3. Authorize the City Manager and the City Clerk to execute the operating agreement and future amendments to the agreement within City Council authorized limits.

BACKGROUND:

The Costa Mesa Tennis Center (CMTC) is a city-owned public facility located at TeWinkle Park, 880 Junipero Drive. The two-acre tennis center includes twelve (12) lighted courts, a pro shop, a courtyard, and landscaped walkways. The Tennis Center is open to the public from 8:00 a.m. to 9:00 p.m., Monday through Friday, 8:00 a.m. to 5:00 p.m. on Saturdays, and 8:00 a.m. to 3:00 p.m. Sundays. This city-owned facility is operated by a private entity through an operating agreement.

For over two decades, the tennis center was operated by Hank Lloyd (Hank Lloyd Tennis), who retired on February 28, 2022, after 24 years of service to the Costa Mesa tennis community. On March 1, 2022, City Council voted to approve an interim Tennis Center operator while staff conducted outreach specific to the scope of services for developing a Request for Proposals (RFP) for the operation of the center.

In an effort to ensure that the CMTC is successful in meeting the needs of the community, staff conducted community outreach requesting feedback on facility improvements and program enhancements.

This outreach included the following:

- Community meetings
 - Saturday, March 12, 2022
 - Wednesday, March 16, 2022
- Online surveys - 205 received
- Community discussion
 - Parks Arts and Community Services Commission - March 24, 2022

As this is a valued community asset, an open, competitive and transparent RFP process to ensure the selection of a professional and experienced tennis center operator was paramount. In addition to public outreach, staff contacted both staff and vendors from neighboring cities that operate Tennis Centers similar to the Costa Mesa Tennis Center, including Fountain Valley, Fullerton, Huntington Beach, and Newport Beach, as well as other southern California cities, including Burbank, Fremont, Los Angeles, and Torrance.

On September 20, 2022, the proposed scope of services was reviewed and approved by City Council with modifications and direction regarding the differentiation of responsibilities and revenue structure. These changes were included in the RFP, which was posted on December 8, 2022, with RFP proposals due on January 25, 2023.

ANALYSIS:

The Costa Mesa Tennis Center is a vital amenity for the Costa Mesa Community. The twelve courts at the CMTC are the only city owned tennis courts in Costa Mesa. For that reason, the CMTC is the primary location for all public court time, as well as lessons, tournaments, and programs. Therefore, it is critical that the CMTC meet the needs of the tennis community by providing a quality facility, a variety of program opportunities, and experienced staff that can also successfully manage the facility. The operator will be responsible for the coordination and management of the public use of the tennis courts. It will be the responsibility of the Operator to provide a variety of classes, programs, tournaments, community events, and competitions for patrons, including year-round competitive and social programs that are available to all Costa Mesa residents.

The Finance Department's Purchasing staff issued an RFP in accordance with the City of Costa Mesa Municipal Code Chapter V. Finance, Article 2. Section 2-167 Formal Bidding Process. Purchasing staff has been the main contact for communication with all bidders throughout the RFP process, hosting a pre-bid meeting, answering questions via Planetbids, and requesting clarifying questions from the bidders to ensure the evaluation team could evaluate proposals in a fair, equitable, and unbiased format. A total of nine (9) proposals were submitted in accordance with the RFP guidelines. Staff from the Finance Department reviewed all proposals to ensure each one met the criteria identified in the scope of the RFP. After this initial review, a rating panel consisting of management staff from the City Manager's Office, Finance, Public Works, and Parks and Community Services Departments reviewed and evaluated all proposals. Each panelist submitted individual scores for the following qualitative factors:

- Qualifications of the Proposer/Organization and Key Personnel
- Approach to providing the requested scope of services
- Innovative and/or creative approaches to providing services to the community that include additional efficiencies and/or increased performance capabilities
- Cost Sharing

All ratings were submitted to the Finance Department for tallying. Upon completion of this process, it was determined that three (3) of the proposals received higher scores and therefore were more qualified than the remaining six (6). These three (3) proposals were submitted by the following bidders:

- Agape Tennis Academy
- Hard Court Tennis
- Top Seed Tennis Academy

Staff began the next procurement phase, which includes the preparation of the interview phase of the RFP review process. In doing so, additional clarifying financial information was requested from the three (3) proposing organizations, to ensure a more direct comparison of the proposals and their financial capabilities, backing, and history. Interviews were then scheduled and held on May 22, 2023.

The three bidders were also informed that they should be prepared to present to the evaluation committee their best and final proposal. Bidders were also asked to bring the team who will be managing the Tennis Center, if awarded. Each bidder was allotted one (1) hour to present their business model, and showcase why they are the best operator for the City of Costa Mesa.

Upon completion of the interviews, all panelists were asked to score the presentations, separate from the proposal scoring. Ratings were given for the following categories:

- Grasp of the project
- Approach
- Qualifications and Experience
- Communication
- Quality of Presentation

After a tally of the scores and a brief deliberation, staff prepared a recommendation to bring forward to City Council for the award of an operator agreement to Agape Tennis Academy.

Agape Tennis Academy was founded in 2012 with a mission to enrich lives and communities through a tennis mission that drives their team to improve the quality of life in the communities they serve

whether through coaching young leaders on the courts or collaborating with the community with service events. Agape has five core values which they incorporate in all they do: Honesty, Excellence, Attitude, Responsibility, and Teamwork (HEART). Agape's innovative programming sets them apart.

Their team enjoys developing new programs and creating fun opportunities to connect people through activities at the Tennis Center.

Agape leads a successful social media outlet that is utilized to market and communicate with players, increase brand awareness, and connect with the local community. Due to different age groups being active on different social media platforms, Agape maintains a social media presence on multiple platforms to ensure the broadest reach; such as Facebook, Instagram and YouTube.

Agape understands the City's objectives for operations of the Costa Mesa Tennis Center (CMTTC) and has demonstrated the ability to:

Track Financial and Key Statistics:

- Use point of sale (POS) registers and provide verifiable, full disclosure of financial and program data using Club Automation's POS functionality and reporting capabilities. Club Automation is used to manage all sales, reservations, registrations, and payments. Club Automation allows guests to register and make payments online.
- Prepare and submit an annual report to the City's Director of Parks and Community Services. This report will include notable highlights and data and statistics of operations such as attendance, activities, improvements, programs, and trends.
- Provide designated City personnel monthly reports for gross receipts (this report will indicate the amount payable to the City and will accompany each required monthly payment) and revenue and expenses (this report will accompany the monthly rental payment); these reports and payments will be due on or before the 15th of the month following the closing month (e.g., by February 15th for the month of January). Agape acknowledges that the City will assess a 1% penalty for any late payments.
- Provide designated City personnel with Club Automation user privileges so the City has access to on-demand reports and information (note that City access will be provided in a manner that protects guests' personal information).

Tennis Center Operations:

- Agape partners with USTA to provide league tennis for players and is frequently invited to attend various continuing education workshops. Agape is a member of multiple professional tennis associations, resulting in keen awareness of industry best practices and marketing trends in tennis and pickleball play, that will benefit CMTTC operations.
- Conduct routine surveys and convene an advisory board at CMTTC as a method of gathering and incorporating patron feedback and ensuring client satisfaction.
- Accommodate walk-in players and accept court reservations by phone, in-person, and online via Agape's Customer Relationship Management (CRM) system, Club Automation.
- Operate a pro shop at CMTTC that provides sales of tennis and pickleball equipment, sports apparel, and accessories.

Concessions:

- Provide concessions for CMTC patrons as well as skatepark and Bark Park patrons that range from vending machine offerings to coffee, smoothies, yogurt, protein bars, popcorn, chips, and other snacks.
- Provide concessions for special events by bringing in food trucks, ice cream trucks, and similar vendors to expand concessions options.

Programs:

- Provide quality programs and services that accommodate all ages, player abilities, and user groups and that optimize court use/balance of recreational and competitive play. Tennis programs will include private and group lessons, opportunities for recreational and league play, tournaments, court rentals, clinics and drills, and camps and special events for various age and user groups.
- Provide tennis programming that maximizes court use, promotes community engagement, and grows revenue.
- Agape proposes to use all 12 courts for open tournaments no more than four times per calendar year, and Agape will obtain City approval for days/times of tournament play.

Community Outreach & Events:

- Provide scholarships, fee assistance programs, and Costa Mesa resident programs (with City approval) that will include a minimum of four free one-hour tennis lesson clinics per year for both youth and adult participants, a discount program for youth group lessons, and a minimum of 48 hours of free drop-in open court time per quarter for Costa Mesa residents.
- Will offer discounted rates for special populations such as older adults and disadvantaged youth and will ensure access for special populations such as youth with disabilities who otherwise would not be exposed to tennis or pickleball play.
- Work collaboratively with local nonprofits to create instructional and recreational tennis and pickleball opportunities for youth.
- Provide outreach services to local non-profit organizations to create opportunities for both instruction and play.
- Agape Tennis foundation develops, enriches and empowers individuals through free tennis opportunities through partnerships with Big Brother Big Sisters and Boys and Girls Club of America.
- Conduct ongoing community outreach and promotion of CMTC and its programs.

Marketing and Hours of Operation:

- Coordinate an innovative team that will market, advertise and expand services at the Costa Mesa Tennis Center, making it a premiere tennis recreation destination in Orange County. This includes creating an effective team comprised of current, incumbent, and new staff, as they have successfully done with multiple new contracts and offering new, unique, and extensive program offerings to include new leagues, camps, and events for both tennis and pickleball.
- Establish operating hours that maximize the public's ability to access the center's facility and programs, including creating priority access for Costa Mesa residents and organizations.

The Agape Tennis Academy stood out for these factors, as well as for their highly qualified team of staff that have extensive experience in specific programs areas, including instruction, tournaments, and pickleball. This complement of staff, along with a dedicated experienced facility manager, will provide users of the facility quality programs that can engage Costa Mesa players of all ages and abilities.

Finally, Agape Tennis Academy is open to hiring tennis professionals or administrators formerly associated with CMTC to ensure a smooth and efficient transfer.

ALTERNATIVES:

The City Council may choose to:

Reject the staff recommendation to award and agreement to Agape Tennis Academy and direct staff to work with a different operator; or reject all proposals and start the procurement process again. Both options will require the City to continue the month to month contract with the current interim operator.

FISCAL REVIEW:

Upon Council approval to move forward with Agape Tennis Academy, City staff will begin to negotiate the terms and conditions and the City's financial share and cost to the tennis center patrons.

LEGAL REVIEW:

The City Attorney's Office has reviewed this staff report.

CITY COUNCIL GOALS AND PRIORITIES:

This item supports the following City Council Goal:

- Strengthen the Public's Safety and Improve the Quality of Life

CONCLUSION:

Staff has concluded the Request for Proposals process. The recommended operating agreement for the management and operation of the Costa Mesa Tennis Center has been provided, including the following key elements:

1. Award an operating agreement to Agape Tennis Academy for the Management and Operation of the Costa Mesa Tennis Center.
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