



City of Costa Mesa

Agenda Report

77 Fair Drive
Costa Mesa, CA 92626

File #: 22-750

Meeting Date: 9/20/2022

TITLE:

COSTA MESA TENNIS CENTER: SCOPE OF SERVICES

DEPARTMENT: PARKS & COMMUNITY SERVICES

PRESENTED BY: JASON MINTER, PARKS & COMMUNITY SERVICES DIRECTOR

CONTACT INFORMATION: JASON MINTER, PARKS & COMMUNITY SERVICES
DIRECTOR, (714) 754 - 5009

RECOMMENDATION:

Staff recommends that City Council:

1. Provide Direction on the proposed Scope of Services and release of a Request for Proposals (RFP) for the Operation of the Costa Mesa Tennis Center (Attachment 1).
2. Approve an extension to the agreement with Top Seed Tennis Academy for the interim operation of the Costa Mesa Tennis Center with a term of November 1 through December 31, 2022 (Attachment 2).

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, 55 space parking lot, 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 the past 25 years 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 an RFP for the operation of the center.

ANALYSIS:

The Costa Mesa Tennis Center is a vital amenity for the Costa Mesa Community. The 12 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 quality facilities, a

variety of program opportunities, and experienced staff.

Community Outreach

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 (Attachment 3)
- Community discussion
 - Parks Arts and Community Services Commission - March 24, 2022

In addition to community input, staff complete an analysis of 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 Fremont.

The proposed scope of services includes the feedback received from the community meetings, the online survey results, the discussion held at the Parks, Arts and Community Services Commission meetings, and the research and outreach performed by staff.

Scope of Services

The City is seeking a public/private partnership for the operation of the Costa Mesa Tennis Center. The City is seeking an Operator that 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 the public. Competitive programs should be recognized by the respective professional associations (USTA and USAPA). The Operator will also be expected to work with the local school district and leagues for league play and tournaments. With these elements in mind, and at the direction of the City Council, staff prepared a draft scope of services and background (Attachment 1).

The following components are included in the attached Scope of Services:

- The City is seeking an operator with an innovative team that will market, advertise and expand services at the Tennis Center, enhancing its prominence as a premiere tennis destination in Orange County.
- Establishment of operating hours that maximize the public's ability to have access to the facility and programs.

- Develop and provide a website with an online reservation system for easy public access and transparency for court utilization.
- Provide Scholarship and Fee assistance programs for low-income families.
- Outreach to local non-profit organizations to provide equitable opportunities for all youth for both instruction and play.
- Priority access for Costa Mesa residents and organizations.
- Potential establishment of pickleball programming, including temporary and/or permanent court systems that can be reserved by the community for either play, lessons, and/or tournaments.
- Transparent financial accountability and reporting, including an annual report, and a certified financial audit.
- Proposed 20% of all gross monthly revenue generated by the facility, with 15% (or \$3,500 per month, whichever is greater) going to the General Fund and 5% deposited into a capital fund specific for maintenance of the Costa Mesa Tennis Center.

The initial proposed term is for five (5) years, with an option for an additional five (5) year extension. This term is subject to negotiation with the proposers based on the strength of the proposal and the level of capital investment in the Center.

The current interim agreement for operation of the Costa Mesa Tennis Center is with the Top Seed Tennis Academy through an Assignment and Assumption Agreement with the previous operator under the same terms and conditions of previous operator's agreement. The current terms include 10% of gross revenue from court use and 5% of gross revenue from the pro-shop (or \$1,000, whichever is greater). With pro-shop sales having declined over time, staff is recommending combining all revenue. Any new agreements would include additional accountability for staff to monitor the operator's performance to allow for better analysis of operations and profitability, while investing a portion of the revenue from the facility into a capital fund specific to the Tennis Center.

Request for Proposals

The Request for Proposals (RFP process will include a mandatory pre-proposal meeting to be held at the Costa Mesa Tennis Center. All groups interested in submitting proposals will be required to have a representative in attendance at the meeting. Questions will be answered during this meeting or in written form to all parties in attendance. There will be a time period for additional questions with a cutoff date. Any questions/responses will be communicated to all parties at least a week prior to the proposal deadline.

A committee comprised of staff from various City departments such as the City Manager's Office, Finance, Public Works, and Parks and Community Services will review and evaluate all proposals and will make a selection determined by the evaluation of qualitative factors, which include:

- Qualifications of the Proposer/Organization and Key Personnel
- Prior experience operating a tennis facility

- 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

Upon completion of this process, staff will prepare a recommendation to bring forward to City Council for award of contract. Should the City Council approve the proposed scope of services, the RFP will be released according to the proposed schedule for the RFP as follows:

DATE	DESCRIPTION
September 21, 2022	RFP released
September 28, 2022	Mandatory Pre-Proposal Meeting at Costa Mesa Tennis Center
October 21, 2022	Proposals due
October 24-27, 2022	Interviews with qualifying proposal agencies
November 2022	Award of agreement

Note: Dates are subject to change and dependent upon the release of the RFP.

ALTERNATIVES:

The City Council may choose to modify the proposed scope of services to meet desired outcomes.

Another alternative that the Council may consider is rejecting staff's proposed scope of services and reject the proposed 2-month extension for the temporary operator and direct staff to explore assuming full responsibility for the operation of the Tennis Center. This option would include contracting with various instructors to ensure programming opportunities are available for the community, with City staff overseeing the operations and programming, similar to other City recreational facilities (e.g. Downtown Aquatic Center and Downtown Recreation Center). This alternative would require additional funding for full-time and part-time staff, as well as increased contract costs for facility maintenance and janitorial services. Estimated cost for the full operation and maintenance of the Tennis Center are \$280,000 per fiscal year plus additional startup costs. A budget adjustment to the Parks and Community Services Department during the current fiscal year would be required to assume operations in-house.

FISCAL REVIEW:

At this time, there is no fiscal impact in approving the proposed scope of services to proceed with the RFP process. If the proposed scope of the RFP is approved, staff anticipate additional revenue to the General Fund, as well as additional revenue to the Capital Fund for the Tennis Center based on the terms approved in the new operator's agreement.

LEGAL REVIEW:

The City Attorney's Office has reviewed the report, and prepared the two-month extension for the temporary and approved as to form.

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 conducted community outreach and comparison research regarding Tennis Center operations and developed the scope for the Request for Proposals (RFP) that will assist in determining the most qualified Tennis Center operator and concessionaire for the City Council's consideration.

At this time, staff recommends that City Council:

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