



City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	Item Type:		1 st Reading	2 nd Reading
9/16/2020	<input checked="" type="checkbox"/> Resolution	Ordinance Reading	N/A	N/A
File No.:	<input type="checkbox"/> Ordinance	Public Hearing	<input type="checkbox"/>	<input type="checkbox"/>
20-321	<input type="checkbox"/> Other	Advertising Required	<input type="checkbox"/>	<input type="checkbox"/>
		Quasi Judicial:	<input type="checkbox"/>	<input type="checkbox"/>
Fiscal Impact (\$):	Account Balance (\$):	Funding Source:	Project Number :	
[Type amount]	[Type amount]	7250-531010 Consultants and Contracts		
Contract/P.O. Required	RFP/RFQ/Bid Number:	Sponsor Name:	Department:	
<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	RFP #FY2017-2018-012, Golden Isles Tennis Center Operations	Cathie Schanz, Director	Parks, Recreation and Open Spaces	
Strategic Plan Focus Areas:				
<input checked="" type="checkbox"/> Financial	<input checked="" type="checkbox"/> Organizational Capacity	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Development, Redevelopment and Economic Development	
Implementation Timeline				
Estimated Start Date: Spring 2021 Estimated End Date: Spring, 2026				

SHORT TITLE:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, APPROVING OPERATION AND MANAGEMENT AGREEMENT WITH ALL FLORIDA TENNIS, LLC TO OPERATE AND MANAGE THE GOLDEN ISLES TENNIS CENTER; AND PROVIDING AN EFFECTIVE DATE.

STAFF SUMMARY:

Summary:

The proposed resolution approves the negotiated agreement with All Florida Tennis, LLC to operate the Golden Isles Tennis Center for five (5) years with two (2) renewal terms of five (5) years each.

Background:

The City of Hallandale Beach released RFP # FY2017-2018-012, Golden Isles Tennis Center Operations, on May 17, 2018, to select the most qualified vendor. The City's goal was to secure an Operator with experience and expertise to run the facility without financial or operational assistance from the City.

On December 12, 2018 the City Commission Adopted Resolution No. 2018-152 awarding RFP FY2017-2018-012, Golden Isles Tennis Center Operations, to the highest ranked firm, All Florida Tennis, LLC and authorizing the City Manager to negotiate and execute an agreement. The resolution also required City Commission's approval to execute the contract.

Since the award, there have been extensive discussions and several revisions to project elements including bocce courts, the number of hard versus clay courts, location of the courts in relation to the protected mangroves, and other construction issues. The All Florida Tennis, LLC team has been providing input into the construction and design of the Golden Isles Tennis Center on a voluntary, unpaid basis. The final project includes All Florida Tennis, LLC's request to include four (4) clay courts and six (6) hard courts. The cost to make the change from two (2) clay to four (4) will be covered by the initial construction investment of \$100,000 by All Florida Tennis, LLC included in the negotiated agreement.

Demolition and site work started in June of 2019. Construction of the new tennis center started in first quarter 2020. The facility is expected to be open Spring of 2021.

Current Situation:

Contract negotiations have been finalized and the negotiated agreement is presented in Exhibit A for City Commission approval. The negotiated Golden Isles Tennis Center Operation Agreement provides for a five year initial term with two (2) renewal terms of five (5) years each at the option of the City Manager. The following is a summary of the major terms of the negotiated agreement:

All Florida Tennis, LLC Capital Contribution and Equipment: All Florida Tennis, LLC will provide a \$100,000 initial investment towards the construction of the Golden Isles Tennis Center. In addition, All Florida Tennis, LLC will provide a payment of \$100,000 into the facility's Reserve Account.

All Florida Tennis, LLC will be responsible for all costs related to the purchase, installation and replacement of all tennis center furniture; fixtures; equipment (tennis equipment, sound/announcement system, software system, security system); and supplies and marketing materials necessary to fulfill its obligations as set forth in the agreement.

Programming: The Golden Isles Tennis Center will be open three hundred sixty five (365) days per year for a minimum of ninety (90) hours per week. The Center will be open to and accessible by members of the public on a fee/ membership for services basis at all times during operating hours. No portion of the property will be designated for exclusive use by any third party.

All Florida Tennis, LLC will be responsible for providing a comprehensive offering of instructional, recreational, and related tennis programming with the overall goal of making participation in the sport of Tennis available to all members of the community who seek it. The program will include group and private classes; leagues; clinics; camps; tournaments; social events; open play; Junior summer and after school programs; special needs programming; court rentals; and memberships.

The annual programming plan will include two City-Endorsed Events held annually at no cost to the City including professional exhibitions with family fun day activities.

A minimum of one half of the courts will be available at all times for members/ guest play. Up to one half of the courts may be reserved for private and group lessons and clinics. All Florida Tennis, LLC shall have the exclusive right to administer tennis lessons at City Facilities and shall endeavor to provide tennis programs at the tennis courts at OB Johnson and Peter Bluesten Parks.

All Florida Tennis, LLC shall be allowed to provide ancillary services, with prior written approval, that enhance the patron experience at the Golden Isles Tennis Center including but not limited to sport medicine and massage services.

All Florida Tennis LLC shall provide a Pro Shop with high quality tennis racquet stringing and repair services as well as tennis gear and apparel for sale.

All Florida Tennis, LLC shall provide concession services that provide food and drink for the convenience of the Golden Isles Tennis Center patrons in compliance with all City policies and ordinances.

Staffing: All Florida Tennis, LLC shall be responsible for providing sufficient competent and professional staff to ensure a safe and pleasant experience for guests. All Florida Tennis, LLC shall be responsible for all staffing costs associated with operation of the Golden Isles Tennis Center. The staffing shall include skilled maintenance, administrative, support and program personnel as well as an assigned executive director.

Fees: All Florida Tennis, LLC may impose and set reasonable fees and charges for use of the Golden Isles Tennis Center. The schedule of fees shall require City approval. Discounts may be offered including pre-payment discounts, pre-paid quantity discounts, etc. Any increase over a ten (10%) percent annual increase shall require City approval, which shall not be unreasonably withheld.

Financial Assistance: All Florida Tennis, LLC shall offer financial assistance to youth participants on a sliding scale through the established Youth Economic Assistance Program to all City residents who demonstrate an inability to pay the full rates.

Resident Discount: All Florida Tennis, LLC shall provide a discount to City residents on any service charges imposed by All Florida Tennis, LLC exclusive of concessions or pro shop. The discount shall be no less than ten (10%) percent.

Day-to-Day/Preventative Maintenance and Minor Capital Repairs and Maintenances: All Florida Tennis, LLC shall be responsible for the payment and all costs and expenses associated with the operations, daily maintenance, minor annual repair and maintenance costs and security of the Golden Isles Tennis Center. All Florida Tennis, LLC shall be responsible for remediation of areas in which they control in the event of vandalism. Exhibit C in the agreement provides a non-exhaustive list of repair and maintenance responsibilities.

Annual Budget Submission and Maintenance budget: Within sixty (60) days of the opening of the facility and within ninety (90) days of end of each calendar year, All Florida Tennis, LLC shall submit a budget to the City. All Florida Tennis, LLC agrees to budget no less than eight (8%) percent of the annual gross revenue to be utilized for the annual cost of maintenance costs other than utilities and annual basic repairs and maintenance. The budget submission shall include a separate line-item of those expenditures allocated to the repair and maintenance of the facility.

Shared Use: The City shall have the right to use portions of the Golden Isles Tennis Center for programs and services offered by the City without charge to the City.

Monitoring of Services: Subject to complying with All Florida Tennis, LLC security procedures, the City shall have the right to inspect the Golden Isles Tennis Center to ensure compliance with the Agreement.

Reporting: All Florida Tennis, LLC shall submit to the City, at its own expense, a monthly general ledger and financial statement (profit/loss statement) for immediate prior month and year-to-date, and a breakdown of actuals to budget. In addition, within sixty (60) days following each term year, financial statements including general ledger income statement, a report of gross receipts per month and the summary of activities and performance measures arising from the Golden Isles Tennis Center operations under this agreement shall be submitted to the City. All Florida Tennis, LLC shall provide the City the Annual Audit and Management Letter of All Florida Tennis, LLC, by an independent Certified Public Accountant (CPA).

Auditing: City shall have the right, at its expense, to audit the books, records, and accounts of All Florida Tennis, LLC and its subcontractors that are related to the Golden Isles Tennis Center and such audited parties shall remain obligated to remedy any accounting irregularities identified in such audits. All Florida Tennis, LLC and its subcontractors shall keep such books, records, and accounts as may be necessary in order to record complete and correct entries related to the Golden Isles Tennis Center. All books, records, and accounts of All Florida Tennis, LLC and its subcontractors shall be kept in written form, or in a form capable of conversion into written form.

within a reasonable time, and upon request to do so, All Florida Tennis, LLC or its subcontractor, as applicable, shall make same available at no cost to City in written form.

Events of Default: The occurrence of any one or more of the following events (shall be an “Event of Default”) shall constitute a breach of this Agreement:

- Failure to Pay
- Failure to Perform
- Bankruptcy
- Assignment of the Agreement
- Dissolution

Fiscal Impact: One hundred percent (100%) of the revenue from Hard Court Rentals, Light Fees, Memberships, and Guests fees will be retained by the City.

One hundred percent (100%) of the revenue from Clay Court Rentals, tournaments, private/ group lessons, camps, clinics, events (exc ept City Organized events), pro shop, concessions, and ancillary services will be retained by the Operator up to three hundred thousand dollars (\$300,000) annually. Thereafter four percent (4%) of said revenue will go to the facility’s Reserve Account.

Reserve Account: A Reserve Account funded by All Florida Tennis, LLC to be held by the City shall be established for major capital repairs or replacements to the Golden Isles Tennis Center. The Reserve Account Contribution shall be \$100,000 upon receiving the Certificate of Occupancy. The City will be responsible for all the cost of any agreed upon capital repairs or replacements above the funds available within the reserve account at the time of replacement.

Utilities: All Florida Tennis, LLC shall pay utilities serving the Golden Isles Tennis Center including but not limited to gas, sanitation, internet, telephone. The City shall provide electricity, water, and sewer.

Why Action is Necessary:

Pursuant to Chapter 23, Section 23-4, Competitive Bidding Required, all purchases of and contracts for equipment, supplies and contractual services, when the estimated cost shall exceed \$50,000.00 shall be based on competitive bids. Furthermore, pursuant to Chapter 23, Section 23-6, Award of Contract, the City Manager, shall have the authority to recommend to the City Commission award of contracts.

The Golden Isles Tennis Center is currently closed for construction and is scheduled to reopen in Spring, 2021. The resolution and the related agreement with the awarded vendor, All Florida Tennis, LLC are needed to operate the Golden Isles Tennis Center when reopened in Spring, 2021.

Cost Benefit:

The City's primary goal has been to negotiate an agreement to run the facility without financial or operational assistance from the City.

The All Florida Tennis, LLC's proposed pro forma (Exhibit 3) provides for an annual net payment to the City of Hallandale Beach while providing a discount for Hallandale Beach residents.

PROPOSED ACTION:

Staff recommends approval of the Resolution authorizing the City Manager to execute the attached operation agreement with All Florida Tennis, LLC in substantially the same for as the attached Exhibit 2.

ATTACHMENT(S):

Exhibit 1 – Proposed Resolution Approving Golden Isles Tennis Center Facility Management and Operation Agreement

Exhibit 2– Proposed Golden Isles Tennis Center Facility Management and Operation Agreement
– All Florida Tennis, LLC and City of Hallandale Beach

Exhibit 3- Resolution 18-152 Awarding RFP

Exhibit 4 - All Florida Tennis, LLC proposed pro forma