



Item No. 8 Town of Atherton

CITY COUNCIL STAFF REPORT – CONSENT AGENDA

**TO: HONORABLE MAYOR AND CITY COUNCIL
GEORGE RODERICKS, CITY MANAGER**

FROM: ROBERT OVADIA, PUBLIC WORKS DIRECTOR

DATE: SEPTEMBER 20, 2023

**SUBJECT: THIRD AMENDMENT TO THE AGREEMENT FOR TENNIS
FACILITY MANAGEMENT SERVICES BETWEEN THE TOWN
AND PLAYER CAPITAL TENNIS**

RECOMMENDATION

It is recommended that the Council approve a third amendment to the Tennis Facility Management Services Agreement with Player Capital for three (3) years with extensions for up to two additional (1) year terms upon written agreement of both parties; and authorize the City Attorney to prepare and the City Manager to execute the amendment.

BACKGROUND

The City Council awarded Player Capital Tennis (PCT) as the contractor to manage the tennis facilities in Holbrook Palmer Park starting September 25, 2014. The original contract provided for an initial term of one (1) year from the date of execution, with two (2) additional three (3) year term extensions for a total of seven (7) years, upon mutual agreement.

The first amendment was executed on January 3, 2018, formally extending the agreement through the approved seven (7) year term, ending September 26, 2021.

The second amendment was executed on October 8, 2021, formally extending the contract term through September 26, 2023, with two (2) additional one (1) year terms upon mutual agreement. The initial three-year term of this amendment is nearing expiry and can be considered for extension.

ANALYSIS

PCT has been actively managing the tennis courts and reservation system for the tennis courts at Holbrook-Palmer Park. Pursuant to the terms of the original Tennis Facility Management Agreement, Player Capital Tennis pays the Town a flat rate of \$40,000 per year (\$3,333 per month)

for the opportunity to manage the tennis facility and have exclusive rights to provide instruction at the tennis facility. This fee helps in providing funds to maintain the tennis facility. The original agreement also required an additional payment in the amount of \$15,000 with each renewal.

Earlier in 2023, the Park and Recreation Committee, in their regular review of tennis facility management, discussed the possible extension of the current management agreement and did not have any objection. The Committee did recommend consideration of adjustments to the current flat rate to account for inflation.

As noted above, the term of the agreement is set to expire on September 26, 2023, if not extended. Player Capital Tennis is interested in extending the current agreement with the Town for Tennis Facility Management. Staff has conferred with Player Capital Tennis and they have agreed to a \$5,000 increase to the base payment amount (12.5% increase) and convert the additional renewal payment of \$15,000 such that it be included with their regular fees (\$5,000 annually). Staff is seeking Council authorization for extending the term of the agreement prior to termination of its own accord. The proposed extension is for a term of three (3) years term with a total flat rate payment of \$50,000 per year (\$4,167 per month), with extensions for up to two additional (1) year terms upon written agreement of both parties.

FISCAL IMPACT

Pursuant to the terms of the original Tennis Facility Management Agreement, Player Capital Tennis pays the Town a flat rate of \$40,000 per year (\$3,333 per month) for the opportunity to manage the tennis facility and have exclusive rights to provide instruction at the tennis facility. This fee helps in providing funds to maintain the tennis facility. The proposed amendment would adjust the fee to \$50,000 per year (\$4,167 per month), inclusive of the renewal fee.

GOAL ALIGNMENT

This Report and its contents are in alignment with the following Council Policy Goals:

- Goal Area A – Maintain Fiscal Responsibility
- Goal Area B – Preserve Small Town Character and Quality of Life
- Goal Area F – Be Forward-Thinking, Well-Managed, and Well-Planned

POLICY FOCUS

The policy focus should center on the desire to retain professional tennis facility management services at the Holbrook-Palmer Park tennis courts.

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town's electronic News Flash and Atherton Online. There are approximately

1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders –to include, but be not limited to, media outlets, school districts, Menlo Park Fire Protection District, service provides (water, power, and sewer), and regional elected officials.

COMMISSION/COMMITTEE FEEDBACK/REFERRAL

This item has not been before a Town Committee or Commission

ATTACHMENTS

None.