

Honorable Mayor and Members
of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: Community Services - Approve agreement for the Las Canchas Tennis Facility.

Expenditure: Not Applicable.

RECOMMENDATION

Recommendation of the Community Services Director that City Council approve a two year extension to the concessionaire agreement with South Bay Tennis Center (C2008-243) for the lease and full operation of the Las Canchas Tennis Facility.

Funding

Revenue received from the agreement will be deposited in the Parks and Recreation Enterprise Fund.

BACKGROUND

In December of 2008, City Council approved a Concessionaire Agreement with the South Bay Tennis Center (SBTC) for the Lease and operation of the Las Canchas Tennis Facility. This agreement was for three years, with the option of two separate 2 year extensions. This agreement is currently in its third year with the expiration due on December 16, 2011.

ANALYSIS

The South Bay Tennis Center has served as the City's Concessionaire since February 1, 1998. Over the last three years, the term of the current agreement, Community Services Department staff monitored the activities and performance of the South Bay Tennis Center and their operation of the Las Canchas Tennis Facility. On two separate occasions staff completed evaluations based on the criteria identified in the Agreement. Both of these evaluations showed that the concessionaire had met the terms of the agreement.

In addition to the evaluations, staff had identified other issues during the term that were addressed by the concessionaire. Currently SBTC is up to date in all of its rental and property tax payments to the City and County. Staff conclude that SBTC has met the

requirements of the agreement and therefore recommend approval of the two year extension.

Staff also recommend that prior to the completion of this two year extension a new Request for Proposals (RFP) be developed in a more favorable economic climate. The next concessionaire agreement will be through the full RFP process with additional "cost-benefit" analysis to be completed by staff, including the option of having City staff provide these services. This was discussed with the concessionaire prior to this item coming before City Council.

Per the agreement, staff will continue to monitor the performance of the concessionaire throughout the term of this extension in the following areas:

- Payment of the appropriate rent according to the payment schedule, including the corresponding monthly report of all transactions
- Financial accountability of daily revenues, including receipts and cash register tape for all transactions, reservations, and rentals
- Provision of activities and programs that are open to the general public and available for both walk-in participants and reservations
- Maintenance of a written schedule of hours and operating procedures
- Programming that is both recreational and competitive for children, teens, adults and seniors

Therefore, it is the recommendation of the Community Services Director that City Council approve the extension to the agreement with the South Bay Tennis Center for the Lease and Full Operation of the Las Canchas Tennis Facility.

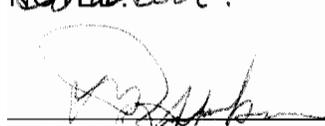
Respectfully submitted,
JOHN JONES
COMMUNITY SERVICES DIRECTOR

By 
Jason Minter
Senior Business Manager

CONCUR:


JOHN JONES
Community Services Director

NOTED:


LeROY J. JACKSON
City Manager

Attachments: A) Extension to the Concession Agreement with South Bay Tennis Center

FIRST AMENDMENT TO CONCESSION AGREEMENT

This FIRST AMENDMENT TO CONCESSION AGREEMENT, C2008-243 ("First Amendment") is made and entered into as of December __, 2011, in the City of Torrance, California, by and between the City of Torrance, a Municipal Corporation, ("CITY") and South Bay Tennis Center, a Limited Liability Company ("CONCESSIONAIRE").

RECITALS

The CITY has eight tennis courts and associated buildings and facilities. The CITY has contracted with CONCESSIONAIRE for services and use of certain premises to operate a tennis facility and to provide tennis lessons, subject to the terms of that certain Concession Agreement ("Agreement") entered into as of December 16, 2008.

CITY wishes to exercise its first two-year option to extend the Agreement.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Section 2 of the Agreement is amended to read in full as follows:

"2. TERM AND OPTION**A. Term.**

The term of this AGREEMENT is for three years beginning January 1, 2009. At such time, the current Agreement (C2005-040), with South Bay Tennis Center, will terminate and this AGREEMENT will take effect.

B. Period of Extension.

CITY may, at CITY's option, extend the term of this AGREEMENT for two additional two year terms, for a maximum of two extensions, subject to all the provisions of the AGREEMENT. By this First Amendment, CITY exercises its first two-year option to extend the Term through December 31, 2013. CITY retains its second option to extend the Term for an additional two years, beginning January 1, 2014.

C. Conditions for Exercise.

CITY's right to exercise an option to extend, pursuant to this Paragraph 2, is subject to the following conditions precedent:

- 1) CITY must give CONCESSIONAIRE thirty days notice, prior to the expiration of the then existing term, of CITY's option to extend the term of the AGREEMENT for two additional years.
- 2) CONCESSIONAIRE must not be in default under any provision of this AGREEMENT at the time notice of exercise is given or on the last day of the term., including, but not limited to, building and safety codes and environmental laws, will be promptly redone at CONCESSIONAIRE'S cost and expense."

2. CONCESSIONAIRE's Authority to Execute.

The persons executing this AGREEMENT on behalf of the CONCESSIONAIRE warrant that (i) the CONCESSIONAIRE is duly organized and existing; (ii) they are duly authorized to execute this AGREEMENT on behalf of the CONCESSIONAIRE; (iii) by so executing this AGREEMENT, the CONCESSIONAIRE is

formally bound to the provisions of this AGREEMENT; and (iv) the entering into this AGREEMENT does not violate any provision of any other AGREEMENT to which CONCESSIONAIRE IS BOUND.

3. Except as expressly modified by this First Amendment, the Agreement remains in full force and effect.

IN WITNESS WHEREOF, the parties have executed this First Amendment on the date first written above.

CITY OF TORRANCE
a municipal corporation

South Bay Tennis Center,
a limited liability company

By _____
Frank Scotto, Mayor

Courtney Weichsel Hance

ATTEST:

Sue Herbers
City Clerk

APPROVED AS TO FORM:

JOHN L. FELLOWS III
CITY ATTORNEY

By _____