PARKS FACILITIES LEASE AGREEMENT

OCTOBER 19, 2020

PROPOSAL

- **Recently, City was approached by a group to enter into a long-term lease agreement for various parks facilities**
- **Proposal will:**
  - **Generate guaranteed revenue for various park's facilities**
  - **Reduce overtime, seasonal staffing costs, and other operational costs in the parks department**
  - **Allow for the re-allocation of seasonal staffing to parks beautification needs**
- **Group will be required to continue ongoing relationships with other facility users**

LEASE AGREEMENT DETAILS

- **Tenant is Parkwood Tournament Company, LLC**
  - Mike Greninger, Bobby Landis, and Don Patty
- **Parks Facilities included in lease agreement:**
  - Joe Becker Stadium
  - Wendell Redden Stadium
  - Gabby Street Field
  - Bassman Softball Complex (limited to Friday through Sunday)
- **Lease Term:**
  - Commence on February 1, 2021 and end on November 30, 2023
  - Lease Period is February 1 through November 30

LEASE AGREEMENT DETAILS

- **Renewal Option:**
  - Option for one renewal period of 3 years with proper notice
- **Termination Option:**
  - City may terminate at any time, with or without cause, by giving 6 months written notice
  - City may terminate in the event an affiliated, independent or semi-professional baseball team agrees to play at Joe Becker Stadium by giving 1-year written notice

LEASE AGREEMENT DETAILS

Annual Rent

- Annual rent of $55,000 paid in monthly installments with first payment due upon execution of agreement
- In year 2 and 3, rent shall be increased 3% each year
- 10% late charge will be assessed if rent payment not received by the 10th of each month

Naming Rights

- City retains all naming rights

Advertising

- Tenant has all advertising rights and revenue; City reserves right to prohibit certain advertising

LEASE AGREEMENT DETAILS

- **Tenant Requirements for Facility Use by Other Parties:**
  - **Offer the facilities for third party use on any available dates**
  - **Make an available date calendar on or before October 31 each year**
  - **Work with existing facility users such as Joplin Sports Authority and the Outlaws**
  - **Use the existing City facility rate schedule for the first year of the lease; Parking fees will not be charged on any city-owned parking lot**
  - **City may use facilities for city-sponsored events on available dates**

LEASE AGREEMENT DETAILS

❖ Concession Facilities:

- Tenant has exclusive rights to concession facilities and revenue
- Tenant shall replace any future required concession equipment
- Tenant responsible for maintenance, repair, cleaning and security of concession areas

❖ Clubhouse:

- Tenant has exclusive rights to clubhouse
- City retains right to inspect facility

LEASE AGREEMENT DETAILS

❖ Tenant's Responsibilities:

- Perform all maintenance, service, cleaning and care of facilities
- Responsible for any required personnel or volunteers
- Responsible for ticket sales and entry gate
- Responsible for operational repairs resulting from damage caused by use
- Responsible for repairs under $1,000.00
- Prohibit metal cleats on turf and sunflower type seeds
- Prepare fields for games and tournaments on the weekends

LEASE AGREEMENT DETAILS

❖ **City's Responsibilities:**

- **Train tenant to maintain artificial turf**
- **Maintain roof, floor, walls and other structural parts of various facilities**
- **Mow grassy areas of facilities**
- **Prepare fields for games and tournaments during the week**
- **Responsible for repairs over $1,000.00**

PROJECTED FINANCIAL IMPACT

- Operational Loss is projected to decrease in year one by an average $27,000.00
- The value of re-allocating seasonal staff to parks beautification needs is $30,000.00
- Positive Net Benefit of $57,000.00

CITY OF JOPLIN
PARKS DEPARTMENT
FY 2017 THROUGH FY 2019

DESCRIPTION	FY 2019 AMOUNT	FY 2018 AMOUNT	FY 2017 AMOUNT	PROPOSED LEASE
REVENUES:				
BASEBALL FEES	46,559	35,879	29,912	-
SOFTBALL FEES	21,622	12,650	36,691	
CONCESSION INCOME	66,859	95,587	100,415	-
PROPOSED LEASE	-	-	-	55,000
REVENUES SUB-TOTAL	**135,040**	**144,117**	**167,018**	**55,000**
EXPENDITURES:				
WAGES & OVERTIME	57,224	71,335	69,561	-
FRINGE BENEFITS	7,239	9,024	8,799	-
HARDWARE SUPPLIES	-	695	621	700
OPERATIONAL SUPPLIES	2,684	1,648	926	-
RESALE CONCESSION SUPPLIES	32,862	45,379	48,856	-
LANDSCAPING MATERIALS	985	953	3,854	1,000
ELECTRIC CHARGES	45,204	43,455	44,280	45,000
GAS CHARGES	1,636	2,003	1,588	1,750
TELEPHONE CHARGES	1,352	1,272	1,302	1,300
WATER CHARGES	3,667	1,897	3,523	3,000
WASTEWATER CHARGES	1,940	1,717	1,546	1,750
SANITATION CHARGES	2,848	2,750	1,523	2,800
PROPERTY REPAIRS & MAINT	7,874	5,272	9,429	5,000
CENTRAL GARAGE REPAIRS	75	892	771	-
CONTRACTOR FEES	2,264	2,192	2,598	2,200
MAINTENANCE CONTRACTS	965	858	1,066	1,000
FEES & PERMITS	772	795	627	500
LIABILITY INSURANCE	14,630	11,774	14,871	14,500
OPERATIONAL EXPENSES SUB-TOTAL	**184,222**	**203,912**	**215,742**	**80,500**
OPERATIONAL PROFIT/(LOSS)	**(49,182)**	**(59,795)**	**(48,723)**	**(25,500)**
Re-purpose seasonal/part-time staff to beautification needs				**30,000**

*Revenue reflects only lease and rental related income from the proposed facilities.
**With proposal, staff can be utilized in other park areas, such as beautification needs.
***Concession staff paid from parks/stormwater sales tax.

QUESTIONS?