

Report to the Park Commission and City Council regarding future leasing of the Hatley Ballfields and Fieldhouse

Considerations:

1. Cost to City for fees associated with leasing the fields to include City Staff man hours, administrative, legal, policing, public works, utilities, other:

Current lease relationship creates a minimal cost to City at around \$5,400 annually. Strictly speaking the current annual amount paid to the City from WHGS of \$3700 does not cover estimated City costs.

- Legal \$2500/year (this may be a bit inflated, but I wanted to capture review of Request for proposal documents, new lease agreement(s), and sub-lease agreement(s). Legal costs are for review of lease and sub leases and insurance documentation.
 - City Administrator \$1200/year
 - PW Director \$1200/year
 - Policing \$500/year
 - Utilities \$0
 - Repairs \$0
 - Landscaping and Maintenance \$0
 - Total \$5400
2. How much is WHGS paying? Lease, maintenance, fieldhouse, capital improvements, utilities, other (verified expenses).

WHGS currently pays \$3,700/year for the lease and \$5,000/year for capital improvements, which are approved by the Park Commission. They also directly pay for utilities, maintenance and landscaping. All repairs performed on the fields are paid for by City initially, if noticed first by the City and WHGS reimburses the City via an invoice.

3. How much is WHGS making on subleases?

Within the sublease, WHGS and WHLL:

- The Parties shall share the costs of administrative fees, capital improvements, and park improvements as outlined in the Master Agreement on a 50/50 basis (WHGS-50% and WHLL-50%)
 - The Parties shall share the costs of water, field maintenance, trash service, and other services required under the Master Agreement on a 50/50 basis.
 - WHGS shall invoice WHLL for its 50% share of any third party expenses described in this agreement
4. What are other groups charging for the use of similar fields? What is the process being used for leasing similar fields?

Marina and I met with Eanes ISD to compare their operations and management and rates. Eanes ISD has a full-time employee and advanced software, SchoolDude, that

they use to manage their fields. Fields and facilities are leased by the hour. Rates are based on the type of the facility or field and the organization using it. For instance, non-profits pay a lesser rate. Annually, EISD examines the market rates and adjusts accordingly. Rate schedule attached.

5. Do the deed restrictions allow or prohibit significant changes to the current lease structure?

Each change proposed to the current lease structure would have to be considered against the deed restrictions. The deed restrictions do not speak to how the City approaches operations of the fields. So, if the City wanted to operate and maintain the fields in a similar fashion to EISD and their facilities, it would not be against the deed restrictions. The primary guiding principle on the deed restrictions remains:

The use of the fields for baseball, football, soccer and girls softball by Westbank areas- associations which are primarily for youth within the Eanes. Independent School District shall be given priority.

Pros for City to take over fields:

- More control over what and when events happen in the City's facilities.
- Would have more oversight over the selection of end users.
- Could lease facilities separately, i.e. Field House for commercial venture pending zoning permitted uses.
- Could bring in more revenue.
- Could arrange fields based on community needs and wants.
- Would be able to plan for and implement capital improvements.

Cons

- Would take more staff time to manage the fields and facilities. May require hiring additional staff.
- May require software purchase to manage the facilities.
- Would require payment of utilities.
- Would require paying for and managing landscaping and care of ballfields.
- Would require payment and planning for capital improvements.
- Risk that City's costs for taking on the expenses that it doesn't have today including, landscaping, utilities, facilities management, will be greater than earning potential of the facilities.