

Addendum to staff report following 6.17 phone conversation with Pat Dreves of the USTA PNW re: programming partnership at JER Spors Center

On Tuesday, June 17th, Ryan Wells and I held a conversation with Pat Dreves of USTA PNW. That organization proposes managing all tennis programming at JER. The City would continue to manage day-to-day member use, private court reservations, school district use, community room use, and partnerships with local user groups like PPC and STA, as well as all pickleball programming (leagues, classes, and clinics).

USTA PNW's catalogue includes clinics, classes, and programs for players of all ages, as well as tennis leagues and tournaments. The proposal offered to the City involves a revenue split of either 80/20, with 80% of all program revenue going to USTA PNW if they manage program registration, or 70/30 with the City retaining 30% of revenues if the City handles program registration.

The benefits to the City of the proposal include obvious advantage of having a proven catalogue of tennis programs brought to JER without having to build it from the ground up. USTA will recruit, hire, and train all pros in their operations model. The City keeps all membership revenue, with USTA PNW offering discounts for their programs to JER members, with the mutually beneficial outcome of driving prospective players towards joining the facility.

The potential downside is that as USTA PNW programs roll out, court space that may have been occupied by paying JER members will instead be occupied by users paying the USTA PNW program fees instead (only 20-30% of which go back to the City). However, if the City's goal is to generally increase use of the facility, then any programs, leagues, or tournaments USTA PNW can bring will advance that goal.

One option to protect the City from any potential downside risk is to establish a minimum fee for a USTA PNW-run program equal to the hourly court use fee charged to LPOSD or local non-profits. For example, if a USTA PNW-run program brings in less than \$20 per hour for the City, the City will charge that \$20 as the base rate (as that is equal to the hourly court rental rate charged to local non-profits). Whether or not USTA PNW will be amenable to this arrangement will need to be worked if Council chooses to move forward with this option.

If Council decides to keep the facility as a tennis and pickleball-only facility at this time, I would recommend that council directs staff to pursue a contract with USTA PNW to enable that organization to bring their catalogue of tennis programs to JER so as to open up new opportunities for youth, junior, and adult community members to engage with the sport in the months ahead. While the revenue share model alone is unlikely to close the financial gap JER is experiencing, the increased use enabled by over a dozen new programs offered by USTA PNW will drive membership and, over time, private court use, which will further increase facility revenue and help close the fiscal gap at JER.