



Agenda Report

21-1191

Agenda Date: 1/26/2021

REPORT TO COUNCIL

SUBJECT

Action on Amendment No. 3 to the Facility Use Agreement between Santa Clara Swim Club, Inc. and the City of Santa Clara to address COVID19 Impacts to Programs & Revenue

COUNCIL PILLAR

Enhance Community Sports, Recreational and Arts Assets

BACKGROUND

The Parks & Recreation Department operates and maintains the George F. Haines, International Swim Center (ISC) in Central Park. The ISC consists of a 23-lane racing pool (short course), a six-lane diving well, a six-lane training pool, and support facilities and amenities. The City operates programs at the ISC year-round for lap swim, seasonal recreation swim, learn to swim, and water exercise. The ISC is also home to the Santa Clara Swim Club (Club) since 1980 by a facility use permit (Attachment 1) in return for a monthly per swimmer fee of \$21. The fee was increased in 1982 to \$27 per swimmer in Amendment No. 1 (Attachment 2). On August 17, 2010, the City and Club agreed to a comprehensive update of terms in Amendment No. 2 (Attachment 3) and set an annual fee of \$20,000 for use of the ISC.

In March 2020, the global coronavirus pandemic and State and County Health Orders shut down non-essential business activities including the Club. As health and safety protocols and updated State and County Orders have allowed, the City has worked with the Club to permit some operations and activities to resume under restrictions, but not without significant disruptions in services, added cost to implement protocols, lower participation rates and a corresponding reductions in revenue.

DISCUSSION

Since March of 2020, the City has worked with the Club to assess and address the impacts of the pandemic on Club operations and programs at the ISC, implement required Health and Safety Protocols, and to restore services and activities for the Club to the extent permitted. However, the Club was unable to use the ISC for 156 days, or 43% of the year in 2020. This caused significant revenue and membership loss to the Club. Since March, the Club has reduced its staff along with implementing other cost reduction measures.

On November 3, 2020, the City received a request from the Club for a one-time reduction in the required fee for 2020 (Attachment 4) in the amount of \$8,600 to address the Club's operating deficit as a result of COVID19 related closures, limitations on programs, and other impacts. The City has provided various support programs to local businesses, non-profits and workers. Adjusting the facility use fee on a one-time basis is an efficient measure that would help the Club meet its obligations under the current facility use permit and continues the City's long-term relationship and support of the

Club at the ISC. Fees would resume at the pre-COVID19 impact amount in 2021.

ENVIRONMENTAL & MEASURE R REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(4) in that it is a fiscal activity that does not involve commitment to a specific project which may result in potential significant impact on the environment. The Amendment No. 3 has been evaluated and found to be in conformance with provisions of Measure R, which prohibits the City from selling or leasing its parkland and open space without voter approval; the facility use permit is not a lease and is consistent with the facility’s past and current uses as a public aquatic facility.

FISCAL IMPACT

The Amendment No. 3 will reduce General Fund revenues from the Club in the amount of \$8,600 (from \$20,000 to \$11,400) in calendar year 2020. Because these payments have not yet been submitted for 2020 and they cross fiscal years, FY 2019/20 was impacted as well as FY 2020/21. There will be a minimal revenue impact in FY 2020/21.

The fee will return to a total payment of \$20,000 in calendar year 2021 per the agreement.

COORDINATION

This agreement has been coordinated with the Finance Department and the City Attorney’s Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, e-mail clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>>.

RECOMMENDATION

Authorize the City Manager to execute Amendment No. 3 to the facility use agreement with the Santa Clara Swim Club, Inc. for the operation and maintenance of the George F. Haines, International Swim Center and delegate authority to make minor modifications to the Agreement as needed.

Reviewed by: James Teixeira, Director of Parks & Recreation

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Agreement - Facility Use Permit
2. Amendment No. 1
3. Amendment No. 2
4. Amendment No. 3