



Board of Supervisors Memorandum

November 22, 2016

Mike Jacob Sportspark Operating Agreement

Background

On July 28, 2016, the current operator of the Mike Jacob Sportspark requested renewal of the existing amended Operating Agreement with the County, which is permitted by the Agreement. This matter was previously litigated in Superior Court, where the operator indicated the County could not terminate the Agreement upon expiration; that the County had to consider the operator's request for renewal; and the request would need to be considered by the Board of Supervisors, the contracting entity.

Based on the operator's request for renewal of the Operating Agreement, I asked our administering department, Natural Resources, Parks and Recreation (NRPR), to perform an evaluation of the property and its operation by the present operator. The NRPR report is complete and attached to this memorandum.

I understand the existing operator has communicated with a number of individuals in the community who indicate:

"I was informed the park might be closing,"

"hearing that there is a possible closure of Sports Park,"

"I am aware of the vote to keep or close the park...,"

"We were recently informed that there's a possibility that the Sportspark...could be closed down,"

"hearing that sports park may possibly be closing down due to county taking it over."

Clearly, appropriate communication needs to occur to determine the future public benefit of a sportspark. Presently, it is being operated through a complex public/private partnership that is not the best operating model. A new operating model should be developed in the near future to rejuvenate the Sportspark and maximize its public recreational benefits.

History of Sportspark Development

Sportspark was originally constructed as a softball tournament complex in 1984 using private funding and it was operated by a private operator, Tucson Bowling Corporation and its assigns, for over 23 years. Since its original construction, very little has been reinvested in Sportspark other than lighting modifications made a number of years ago due primarily to community complaints regarding light pollution.

The current operating model, which is something of a hybrid where the County performs much of the turf and field maintenance operations; and two operators are responsible for field scheduling, tournament play, fee collection and concession operations; began in 2010. This operating model has not been the most efficient and has a number of shortcomings, including:

- Lack of any significant capital facility reinvestment by lessees;
- Lack of cooperation among lessees, leading to less than optimal utilization of the facility;
- Lack of operational synergy between the food/beverage operation and league/tournament administration, resulting in lost opportunities for revenue enhancement, efficiency and innovation; and,
- Lack of County authority needed to schedule and perform required preventative maintenance and institute necessary field resting periods to maintain a safe, optimal playing environment for site patrons.

Results of the Most Recent Operational Review and Analysis of Future Operating Models

NRPR recently conducted an operational review of the facility, and specific areas of considerable concern were identified, including infrastructure safety concerns, issues related to utilities, regulatory compliance matters and site access concerns. The site access concerns are discussed below, and all of these issues are discussed in greater detail in the NRPR report.

Recommendations regarding an appropriate future operating model are also discussed below and in the NRPR Director's report.

Short-term Access Constrained Environment

Unfortunately, access to Sportspark will become increasingly difficult in the very near future and last for a period of as long as 18 to 24 months. The Arizona Department of Transportation (ADOT) is reconstructing the Ina Road traffic interchange at Interstate 10 (I-10), modifying I-10, as well as the Frontage Road. A portion of the County-owned Sportspark property, as well as property where the County's Tres Rios Water Reclamation Facility is located, have been taken by ADOT as right of way for the interchange project.

Access difficulty and restrictions will make operating a Sportspark an increasingly difficult proposition. Hence, it is appropriate at this time to consider an alternative operating model, as well as consider significant County reinvestment in the property. This reinvestment would be equivalent to the monetary value provided by ADOT in their right of way take of Sportspark property, or approximately \$1 million. While it is probable significant additional investment needs to be made, this investment will be beneficial and form the basis of a longer-term investment by a future private operator.

The Honorable Chair and Members, Pima County Board of Supervisors
Re: **Mike Jacob Sportspark Operating Agreement**
November 22, 2016
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Current Operating Model and Proposed Modifications

NRPR recommends that at a minimum, critical safety and utility improvements be completed at the facility as soon as feasible provided sufficient funds are available. In order to limit impacts to the many current users of the facility, NRPR also recommends development and execution of an amendment to the existing Operating Agreement with the Leagues and Tournaments Operator for a period of up to six months to allow the present operator to continue to organize and run sports tournaments and leagues at the site, while recognizing and accommodating the site restrictions that may be imparted by the proposed site improvement activities.

Further, given the impending departure of the third-party concessions operator, NRPR recommends the operating model for the site be modified from the current three-party arrangement to a model where a single operator is responsible for marketing, management and scheduling of all leagues and tournaments; concessions; and operations and maintenance of the facility. This operator should be selected through a Request for Proposals process conducted during the proposed six-month contractual bridge period described above.

I concur with the NRPR analysis and recommend the Board of Supervisors approve the following:

1. Staff negotiation of a month-to-month Operating Agreement with the present operator for a period of up to six months. This month-to-month Agreement would be presented to the Board for approval on December 13, 2016. If such is approved by the Board, during the six-month period, County staff will conduct a competitive Request for Proposals process to select a single entity to operate Mike Jacobs Sportspark.
2. Up to \$1 million in capital improvements to the facility, with concurrence from the competitively-selected future operator of the Sportspark, using funding from the Arizona Department of Transportation right of way acquisition for Interstate 10 and Ina Road improvements.

Respectfully submitted,



C.H. Huckelberry
County Administrator

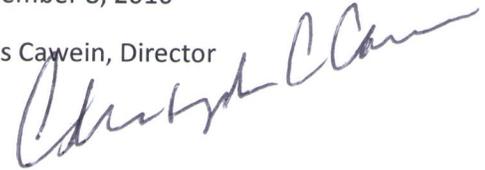
CHH/mjk – November 17, 2016
Attachments

c: John Bernal, Deputy County Administrator for Public Works
Nanette Slusser, Assistant County Administrator for Policy, Public Works
Chris Cawein, Director, Natural Resources, Parks and Recreation

MEMORANDUM

To: CH Huckelberry, County Administrator
John Bernal, Deputy County Administrator

Date: November 8, 2016
From: Chris Cawein, Director



Subject: The Future of the Mike Jacob Sportspark

In accordance with your memorandum dated October 18, 2016, this document responds to your request to complete our comprehensive analysis of the Mike Jacob Sportspark facility. This analysis is required in order to inform the process of evaluating a written request, submitted by Counsel for Championship Sports, LLC, to renew the term of their Operating Agreement for four available "option" periods of one year each.

Below you will find a brief facility background along with an analysis of the present facility operating model and relationships under that model, followed by an analysis of the financials, public use and infrastructure elements associated with the facility. Finally, a suite of possible options regarding the future of the site are presented for consideration.

Please do not hesitate to contact me should you require clarification or further information on any of the topics described below.

Introduction

History

The Mike Jacobs Sportspark is located within Ted Walker Park along the eastbound I-10 frontage road just south of Ina Road and has been in existence for over 3 decades. In May 1984, an original development, management and maintenance agreement was entered into with the Tucson Bowling Company, a for-profit entity, for a 25-year lease of County property for the purposes of building a softball facility. That lease was amended in 1985 to permit subcontracting for Funspot which added additional recreational facilities to the park and fixed the contract expiration to a straight 25-year term terminating on March 1, 2010. By Resolution of the Board of Supervisors, Grotto Walker Park, LLP, was assigned the lease. In 2002, Grotto Walker sublet the day-to-day operations of the facility to Tucson Sportspark, LLC, another for profit organization.

The lease was terminated by the County in July 2007 for failure to pay contracted rents (approximately \$30,000) to the County. Pima County Natural Resources, Parks and Recreation took over the operation

of the facility in October 2007 on an interim basis. In 2009, the County bid out separate requests for a League and Tournament Coordinator and a Concession Stand Coordinator. Championship Sports, LLC and Pinnacle Concessions, LLC were the selected vendors for these two services, respectively, and Operating Agreements were executed with these two entities effective January 1, 2010 to each manage specific elements of the operation of this public facility in partnership with the County. Several years later in May 2013, American Bicycle Association (ABA) which later became USA BMX was contracted to operate the Funspot facility at the northeast corner of Sportspark with an original contract term that runs for 10 years thru 2023.

Facility Amenities

The Mike Jacobs Sportspark facility occupies approximately 50 acres off of the eastbound I-10 frontage road just south of Ina Road and southeast of the Tres Rios Wastewater Treatment facility. The core of Sportspark features a total of:

- six lighted softball fields (skinned infields);
- one lighted multi-purpose field;
- four lighted sand volleyball courts;
- one wiffleball field;
- two playground structures;
- two concession buildings;
- a recreation/administration office; and,
- a shared 400 space parking lot as well as ancillary structures and facilities.

The Funspot area currently consists of:

- a BMX track; and,
- a shared 400 space parking lot as well as ancillary structures and facilities.

A layout of the facility is presented as Exhibit A. The facility contains the second largest lighted softball complexes with 6 lighted fields (Lincoln Park on the east side has 8 lighted fields) and one of the largest lighted outdoor sand volleyball complexes in the region.

Current Agreement Structure/Contract Model

The Operating Agreements entered into between Pima County (PC), Championship Sports (CS) and Pinnacle Concessions (Pinnacle) in 2010, as well as USA BMX in 2013, divided the responsibilities for the site whereas the original 1984 agreement for the site had relied on a single operator to manage the entire facility. This created a set of responsibilities for managing specific elements of the operations at Sportspark for each of the entities involved (PC, CS, Pinnacle, and USA BMX). Because the FunSpot facility is contractually and geographically segregated from the remainder of Sportspark and has a contract expiration in 2023, further discussion of this element of facility operations will not be

addressed in this summary report. Rather the shared responsibilities for the areas of Sportspark, excluding the Funspot area, will be discussed in more detail below.

Essentially, the responsibilities for managing the Sportspark were divided into:

1. PC being responsible for facility maintenance except during hours when Pima County staff is not scheduled to work (i.e., weekends, evenings and holidays). Additionally, PC is responsible for most existing utilities;
2. CS being responsible for the operations of tournament and leagues as well as off-hours maintenance; and,
3. Pinnacle being responsible for food and beverage concessions.

The fundamental precept for successful management of such a split operation is a strong, collaborative partnership where the parties are willing and able to work closely together in a cooperative manner to the overall benefit of the public.

Agreement Term

The structure of both of the original Operating Agreements with Championship Sports (CS) and Pinnacle contained a “base term” of three years with a maximum of four one-year “option” periods, indicating an originally-intended maximum total contract period of seven years. Based on the inception date of January 1, 2010, that seven-year period of contracting intent would expire on December 31, 2016.

However, a number of amendments to the Agreements were executed during the course of the base term of one or both of these Agreements. The six processed amendments to the CS agreement were related to:

- Amendment 1: Reseeding of fields;
- Amendment 2: Reduction in fees;
- Amendment 3: Correction of scrivener’s errors;
- Amendment 4: Cost sharing for security;
- Amendment 5: Extending base term; and,
- Amendment 7: Relating to contract boundary conditions. (Note Amendment 6 was never executed and became Amendment 7.)

Because Amendment 5 adjusted the expiration date of the “base term” of the Agreements from December 2013 to December 2016, the original seven-year maximum contract time frame was altered to add the availability of four one-year option periods.

In accordance with the Operating Agreements, both CS and Pinnacle are required to submit written requests to the County Administrator should they desire to exercise the “option periods” afforded by Section 8.2 of the Agreements which states:

Section 8.2 Option Period. This Agreement may be renewed for a maximum of four (4) periods of one (1) year each of which is an “Option Period” as follows:

8.2.1 Operator shall submit to the County Administrator or designee no sooner than one (1) year prior to the Termination Date, but not later than ninety (90) days prior to the Termination Date, written notice that Operator desires to extend the term for the Option Period.

8.2.2 The County Administrator shall submit Operator's request to extend the term for the Option Period to the Board of Supervisors. Operator shall have the right to extend the term for the option period unless:

8.2.2.1 Operator is in default of this Agreement, or

8.2.2.2 The Board of Supervisors determines for good cause including but not limited to Operator's past performance and the condition of the premises, that such renewal is not in the best interests of the County.

8.3.3 The Field Usage Fees shall be agreed to by the Operator and County prior to commencement of any Option Period.

On July 28, 2016, a request for "Renewal of Agreement for Operation and Administration of Leagues and Tournaments at Mike Jacob Sportspark" from Edward J. Laber (counsel for CS) was submitted in accordance with this section of the Agreement. That letter is attached as Exhibit B. No similar request has yet been received from Pinnacle Concessions expressing their interest to renew their Operating Agreement for operation of concessions at the Mike Jacob Sportspark. By the conditions of their Agreement, they had up until 90 days before expiration (or until October 3, 2016) to request this renewal. Staff had received previous indications that such renewal will not be pursued by Pinnacle. Attached to this document is an email from Mr. Bob Newman of Pinnacle dated January 29, 2016 formally indicating that he will not be filing to renew his agreement with the County at the site under the same circumstances with the current league operator (Exhibit C). Recent communication with Pinnacle by staff in August 2016, indicated that it's position with respect to contract renewal has not changed since that January correspondence.

Present Agreement Model

As stated above, the present operating model for the Mike Jacob Sportspark is a three-way partnership between Pima County NRPR, Championship Sports, and Pinnacle Concessions. A partnership such as this requires explicit and clear contractual language to ensure that there is full and unambiguous delineation of responsibilities as well as a high level of communication and cooperation between the partners to ensure that the facility is operated in a safe and optimally utilized manner that is of greatest benefit to the Community and to our sports partners.

A more detailed summary of contracted responsibilities of the three parties is outlined below:

Pinnacle Concessions, LLC Operating Agreement Summary

As defined in it's Operating Agreement, Pinnacle Concessions is responsible for specific tasks. In summary, the main tasks include:

- Staffing and operating each of the two concession stands that are located at Sportspark during scheduled League and Tournament play;
- Timely communication and coordination with Pima County staff and with League and Tournament Coordinator on any and all issues that impact the users of the park, the League and Tournament Coordinator and Pima County employees;
- Providing Pima County with a copy of audited financial statements on an annual basis;
- Maintenance of the Sportspark concession stands (i.e., cleaning) in accordance with all applicable health and safety standards; and,
- Maintenance and repair of all “fixed” equipment (pizza ovens, ice machines, refrigerators, etc).

Championship Sports, LLC Operating Agreement Summary

As defined in the Operating Agreement, Championship Sports is responsible for specific tasks. In summary, the main tasks include:

- Coordination of League play for adult softball, adult volleyball, and youth softball and baseball;
- Scheduling, coordination and communication with teams and administration for all league and weekend tournament play operations;
- Marketing and promotion of league play and tournament play;
- Timely communication and coordination with Pima County staff, with concession stand coordinator, and with teams/managers/coaches/players on any and all issues that impact the users of the park, the Concession Stand Coordinator, and Pima County employees including timely reporting of any vandalism, accidents, and/or incidents;
- Establish and have regularly scheduled meetings with an advisory team made up of league players and coaches;
- Providing Pima County with a detailed monthly field usage report;
- Providing Pima County with a copy of audited financial statements on an annual basis; and,
- Maintenance of the Sportspark ball fields and volleyball courts when PCNRPR staff is not scheduled to work (typically weekends, holidays and evenings).

Pima County Responsibilities

In addition to requiring that Pima County cover utility costs (except for communications systems), and share in the costs of site security, the Operating Agreements also contain a listing of the maintenance responsibilities of Pima County staff. Those responsibilities are restricted to Monday thru Friday, excluding holidays, during normal working hours and include:

- Mowing of turf and repair of irrigation systems;
- Trimming trees and shrubs and weed control;
- Cleaning of restrooms and umpire room;
- Litter pickup and trash barrel emptying;
- Maintenance and repair of buildings;
- Maintenance of fields including dragging of ballfields, lining, watering, edging, repairing holes, repairing fencing, adding infield mix;

- Maintenance of volleyball facilities including court grooming, padding and net repairs as needed;
- Maintenance and repair of lights and lighting systems;
- Repair and maintenance of playground structures and surfacing;
- Parking lot cleanup, maintenance and repairs; and,
- Sweeping, cleaning and maintenance of walkways;

Analysis of Contractual Relationship and Performance of the Parties

The present operating model creates a three-way partnership between Pinnacle, CS and PC. That partnership has been functional to maintain activity at the facility though the relationship has been challenging over the past seven years.

The performance under the Operating Agreement (OA) for the concessions portion of the partnership with Pinnacle has generally been acceptable over the past seven years to the County due in part to the simple and unambiguous language of the OA. Pinnacle has engaged the County in discussions as required.

In recent years, CS has raised two issues which pertain to their concern regarding the “excessive” fees charged by Pinnacle, particularly for beverages, and an apparent disagreement related to the need for Pinnacle to operate both of the existing pubs at the Sportspark facility. Both of these issues raised by CS that Pinnacle should keep both pubs open more frequently and should make prices more competitive in order to attract more tournaments and events to the facility. Pinnacle, in accordance with contractual terms and conditions, is required to keep both pubs open for “all scheduled league and tournament play.” Pinnacle has expressed some concerns with respect to profitability in trying to keep both pubs open at all times. Practices do not require keeping concession stands open. Additionally, there are no specific contractual limits to the costs associated with specific concession items in the OA.

Although the site continues to be busy with regular and recurring league play, relationships under the Operating Agreement for the League and Tournament Operations portion of the partnership with CS have been challenging over the past seven years. Several examples of that strained relationship include:

- Regular and recurring complaints are directed to our Pima County NRPR contact regarding the acceptable level of maintenance required and completed at the facility. This leads to regular emails from CS that are critical of County staff for not completing certain elements of maintenance in a manner which is acceptable according to the Operator. Many emails illustrating this pattern of behavior are available should those be desired;
- When facilities break (as is inevitable in this aging facility) resulting in safety concerns, there appears to be a general disregard for safety recommendations. Two incidents of note in the past few years involved metal roofing being blown off of some of the structures (and in some cases still remaining only partially attached) at the site due to storm-related winds and a snapped wooden pole which held a safety net (which was torn due to the pole failure) between a softball field and the volleyball courts. The County, after Risk Management consultation,

- recommended that for the safety of the facility users, the facilities in question not be used until the required safety repairs were made. The operator disregarded safety recommendations;
- When infrastructure at the facility breaks, there is a lack of acceptance and/or understanding with regard to the complexity of required repairs, the timeline required to complete such repairs in a safe manner, the County’s need to comply with applicable procurement requirements to execute such repairs, and the willingness to partner with the County in managing patron concerns. It is interesting to note that emails have been sent to the County from Park patrons thru the Operator expressing their concern over the condition of the facility on several occasions, particularly when infrastructure failures occur. One recent issue, not actually at the Sportpark but at the adjacent Tres Rios Wastewater Reclamation facility, involved the failure of an odor control system at the plant which resulted in the placement of a sign and a Facebook post by the Operator indicating that patrons of the facility should contact the County directly to log their complaints about the odors from the adjacent County Wastewater facility. While the odor certainly was objectionable, this behavior demonstrated the failure of CS to try to mollify or assuage the concerns of the patrons but rather to cast aspersions at the County and encourage patrons to lodge complaints to the County;
 - Calling of Police by our staff who felt threatened. In June 2015, a confrontation between the Operator and the County Facility Foreman led to our Foreman contacting local police as he felt threatened. This led to counter claims of harassment by the Operator that required investigation by the County Human Resources Department. This incident required management to issue a mandate that prohibited any direct contact between the Operator and site staff and to run all communication through our facility manager. Mitigation for this incident led to regularized communication via a weekly meeting on site between our site manager and the Operator to ensure that any concerns were communicated in a timely manner;
 - Negative interactions with co-tenants at the Sportspark. In addition to the aforementioned concern expressed by Pinnacle, and their statements that they will not consider applying for their allowable contractual Option Periods, the FunSpot operator has also reported to us issues related to balls landing in their facility along with Sportspark patrons retrieving those balls. This has led to strained relations between those two operating entities as well.

Yet despite all of the criticism and negative feedback on the facility condition and maintenance operations over the past years reported by CS, it has been diligently pursuing the Option Periods as allowed under the Operating Agreement.

Financial Information Regarding Sportspark Facility

Pima County NRPR expends approximately \$410,000 annually for the operation of the Mike Jacob Sportspark facility. For each of the past three fiscal years, the total budgeted and actual costs to operate the Sportspark is as follows:

| | | |
|-------------------|----------------------------|--------------------------|
| FY 2013-14 | Budgeted: \$350,081 | Actual: \$415,551 |
| FY 2014-15 | Budgeted: \$375,547 | Actual: \$393,614 |
| FY 2015-16 | Budgeted: \$383,086 | Actual: \$418,203 |

That total includes costs associated with full-time County staff assigned to the site and all recurring supplies and services, as well as unanticipated repairs, in order to meet our contractual obligations. Labor costs required to operate the facility are significantly reduced because NRPR utilizes a state prison work crew of approximately 4 to 6 individuals who work at the site 30 to 40 hours per week performing various required maintenance activities. Total labor costs account for approximately half of the funds expended for the site, and other operating costs, including utilities as well as maintenance and repairs, account for the other half.

Net PC expenditures to operate the facilities at Sportspark are offset to a degree by payments required from CS and Pinnacle in accordance with terms of their Operating Agreements. Over the past three fiscal years, the payments received by PC from the two Operators were as follows:

| | <u>CS</u> | <u>Pinnacle</u> | <u>Actual Fees to PC</u> | <u>Net PC Costs</u> |
|-------------------|-----------------|-----------------|--------------------------|---------------------|
| FY 2013-14 | \$77,049 | \$81,722 | \$158,771 | \$256,780 |
| FY 2014-15 | \$67,728 | \$72,528 | \$140,256 | \$253,358 |
| FY 2015-16 | \$71,947 | \$68,455 | \$140,402 | \$277,801 |

The contractual fees charged to Pinnacle are based on a straight percentage (20%) of gross concession sales during each month. The fees charged to CS are based on hourly field or court usage and/or per team rates for tournaments as defined in the amended Operating Agreement. CS fees were modified by contract amendment (Amendment 2) from the originally contracted field use rate of either \$15 per hour without lights or \$17.50 per hour with lights, down to \$10 per hour without lights, \$12.50 per hour with lights with an added "tournament" field rental fee of \$36 per team. (Note that the net fee differential between lighted fields and unlit fields is \$2.50 per hour but internal calculations suggest that the actual cost for the County to pay the electricity to operate the field lights is approximately three times that much at \$7.30 per hour). Additionally, a volleyball court rental fee was added in the amendment at \$20.00 for a 3-hour block for all four courts including lights.

Over the past three years, these contracted fees obtained from the two operators at the site have reduced the County's annual operating costs of the facility by approximately 36% resulting in an annual average net facility cost of \$263,000 to NRPR. No revenue sharing agreements, for the purposes of reinvestment in the infrastructure of the facility as allowed in the Operating Agreements, have ever been executed during the nearly seven years of operations of the facility under the current contracts. Rather the infrastructure has continued to age and there has been no reinvestment in the facilities. Repairs to deteriorating infrastructure are conducted by PC as elements break. Such breakage has been accelerating as elements of this 33-year-old facility continue to age.

Strictly on an expense to revenue basis, the cost recovery from the Mike Jacobs Sportspark compares favorably to the majority of other facilities operated by the Department due to the presence of contractual agreements with private operators who are required to pay fees in accordance with specific

contractual obligations. Based on information provided by the two contracted vendors, gross annual receipts from CS and Pinnacle have totaled approximately \$1 million over each of the past few years. This total is about 20 percent less than had been reported by the previous operator. Reinvestment in the facilities via revenue sharing agreements by either Operator, both of whom are for-profit businesses, appears to be an unrealistic expectation under the present contracting model.

Facility Use by the Public

The Sportspark facility currently serves many residents of Pima County. Table 1 below illustrates the participation at the facility over the past 6.5 years based on information provided by CS.

As illustrated in the table, the two major categories of facility use consist of *Tournament Participation* and *League Participation*. Tournament participation consists of both youth and adult events. League participation is further delineated into the categories of Adult softball, volleyball, and flag football as well as Youth baseball and softball. Two additional categories, defined as soccer and rugby, comprise very limited field use and are not discussed further herein. Each are defined as the number of teams reportedly participating in that sport at the Sportspark during the year defined.

As illustrated in the table and the attached graphic, *Tournament* participation at Sportspark appeared to peak in the early days of the contract period with CS in 2011 at 758 teams and has decreased since that time down to 190 teams in 2015 (75% reduction). The current calendar year appears to continue the downward trend in tournament participation based on partial year data (extrapolated to the full year) as illustrated in the attached graph.

League participation at the Sportspark Facility as reported by the Operator indicates that this is the major component of regular and recurring facility use. Full year numbers, as illustrated in the table are dominated by Adult softball use (ranging from a reported 1358 teams in 2010 to 1956 teams in 2015), followed by Adult volleyball use (ranging from a reported 352 teams in 2010 to 813 teams in 2015), Adult Flag football (ranging from a reported 109 teams in 2014 to 235 teams in 2012), and youth softball (ranging from a reported zero teams in 2015 to 256 teams in 2012).

Analysis of the League team participation data provided indicates that careful interpretation of these data is required. The primary issue is that the number of participating teams in a given month typically participate in a league that lasts for several months. Therefore, the sum total number of teams provided and presented in the attached table does not represent the actual number of different teams participating, given the fact that the same team in a given league may be counted for several consecutive months depending on the duration of that particular league. The actual number of different teams participating at Sportspark likely is reduced by half or possibly two thirds of the total team participation figures provided depending on the duration of the league. That stated, Sportspark is predominantly a league play facility and is heavily used.

Additionally, the data provided by CS clearly illustrate that the Sportspark facility has primarily served an adult population base and has limited youth sport participation. Adult softball, volleyball, and flag football team use has dominated the facilities over the past six full years comprising an average of over 93 percent of the reported league team usage. Last year, data provided by the Operator indicated that nearly 97% of facility league usage was by adult league teams. Sportspark therefore appears to fill an

**Sportspark
Table #1**

Reported Tournaments, team and League Participation 2010-2016*

| Year | Tournaments | | League Participation | | | |
|------|-------------|----------------|----------------------|---------------------|----------------|----------------|
| | All Sports | Adult Softball | Adult Volleyball | Adult Flag Football | Youth Baseball | Youth Softball |
| 2010 | 466 | 1358 | 352 | 154 | 126 | 12 |
| 2011 | 758 | 1553 | 424 | 189 | 184 | 0 |
| 2012 | 476 | 1948 | 415 | 235 | 256 | 93 |
| 2013 | 399 | 1639 | 492 | 152 | 144 | 10 |
| 2014 | 198 | 1775 | 474 | 109 | 99 | 60 |
| 2015 | 190 | 1956 | 813 | 194 | 0 | 95 |
| 2016 | 159 | 1516 | 714 | 176 | 0 | 74 |

* Data for 2016 has been extrapolated for the entire year

Table #1a: 2010-2016 Sportspark Tournaments
All Sports

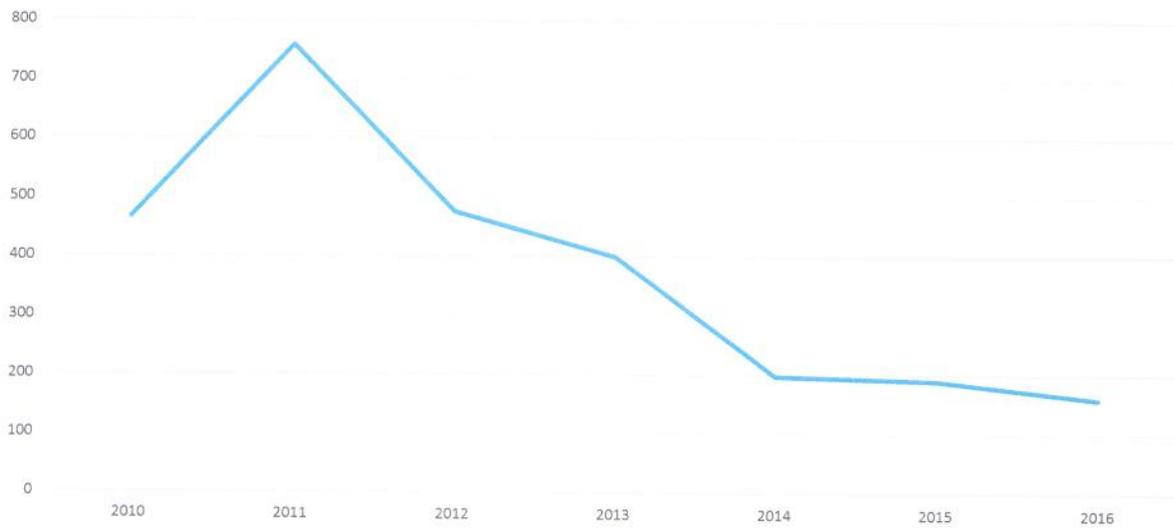


Table #1b: Sportspark Tournaments & Leagues Participation 2010-2016
(Number of teams reported by Operator)

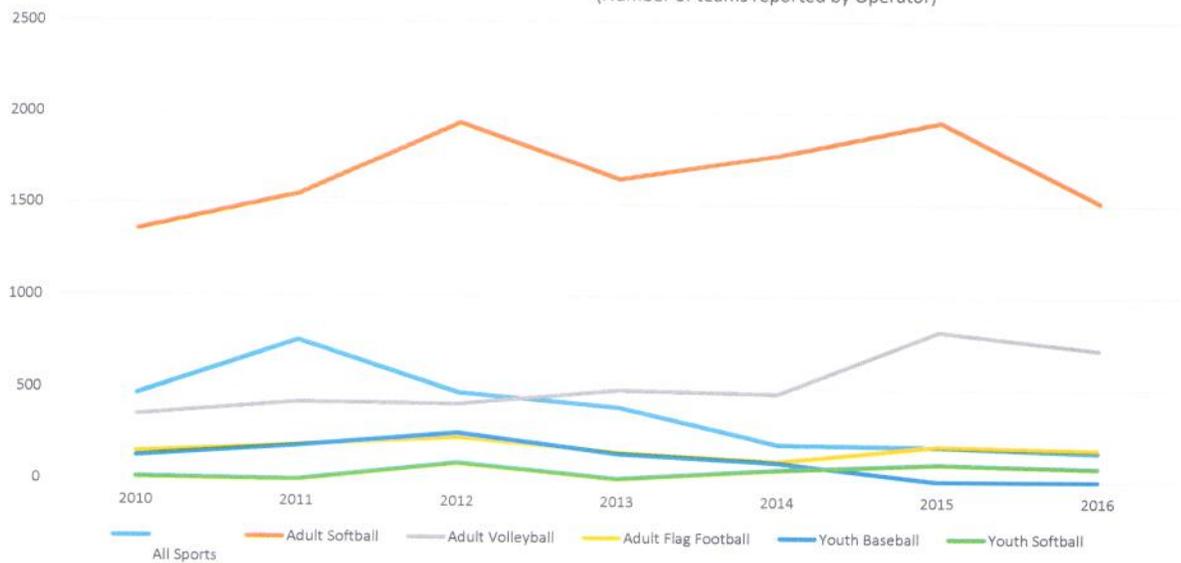


Table #2a: 2010-2016 Sportspark
All Participants

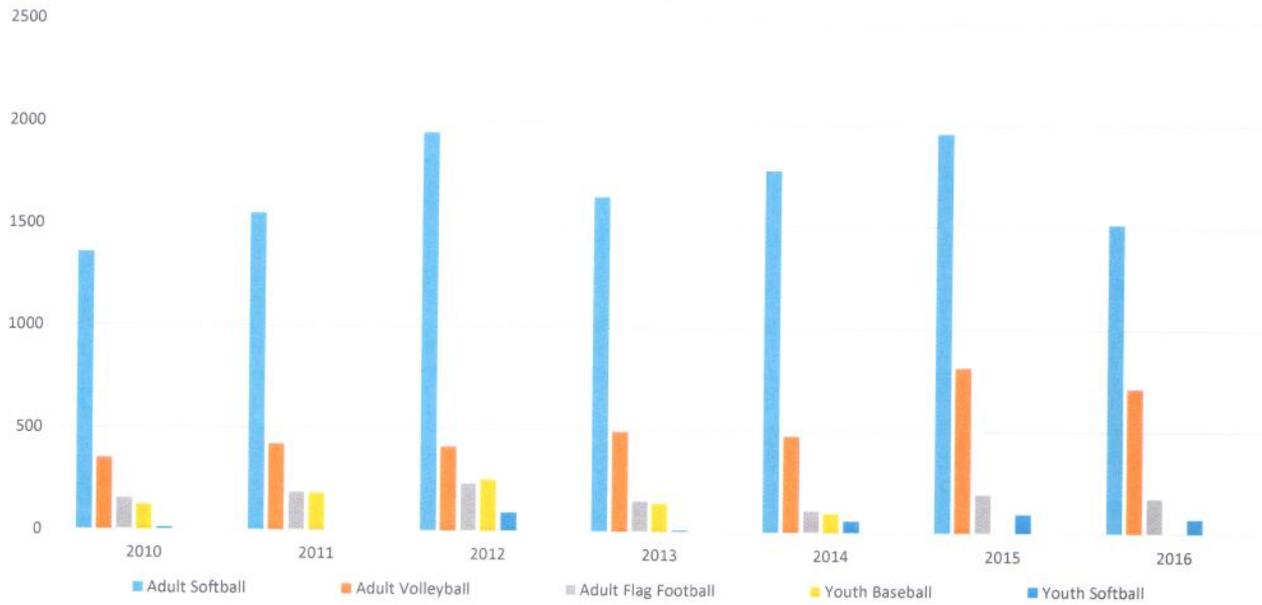
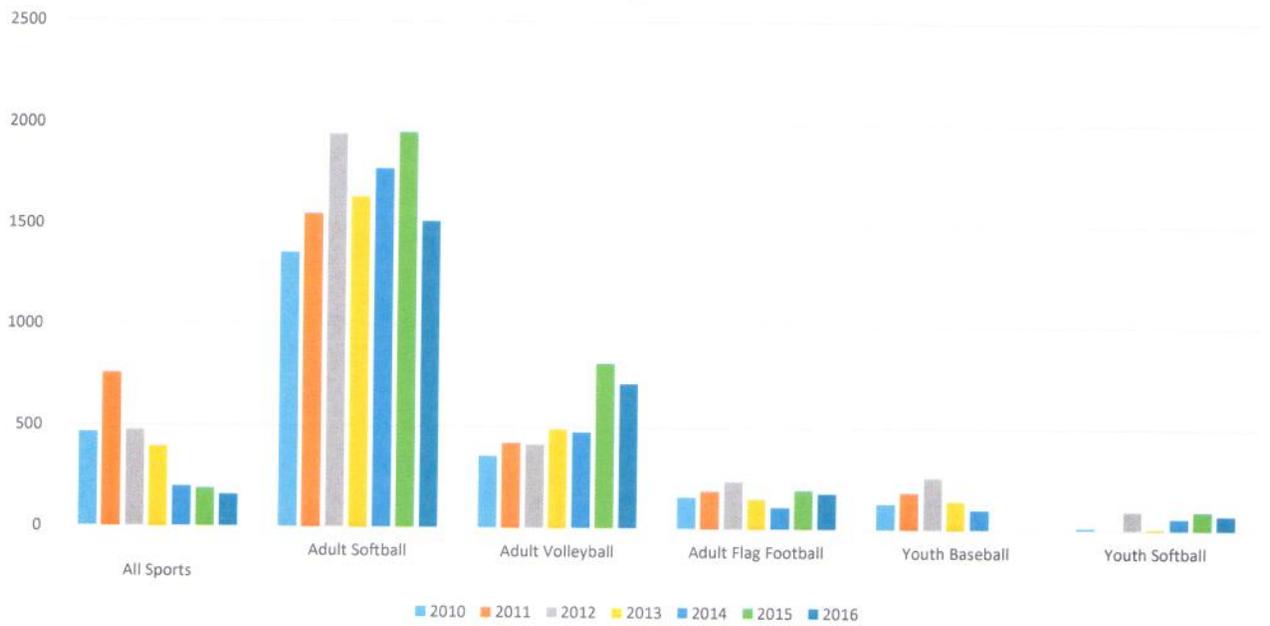


Table #2b: 2010-2016 Sportspark
All Sports



adult league niche when compared to youth leagues. It is unknown exactly why the adult league use is so predominant when compared to youth league use, but one of the possible reasons is that the fee structure at the facility does not compare favorably to non-profit youth league rates charged at other facilities operated by local government entities.

Pima County NRPR is unaware of any Special Events conducted at the Sportspark facility over the years of the OA, although the use of the facility for such events is authorized under the existing agreement with CS. No events to our knowledge beyond standard sporting leagues and tournaments have been conducted at the facility.

Based on data provided by CS, it is apparent that the softball fields, volleyball courts and multipurpose field appear to be quite heavily used year-round for adult sports league participants although there is very limited youth sports participation at the site. Additionally, tournament participation at the site appears to have peaked back in 2011 and has experienced a steady decline since that time.

Infrastructure Analysis

As described previously, the Sportspark facility was initially developed in the early 1980s with the first operational contract issued in 1984. Therefore, the approximate 33-year-old facility infrastructure was built using older technology and in accordance with regulatory requirements in force at that time. With no proactive program of reinvestment in the facility infrastructure over the past three decades, either by the County or by the Contracted Operators, combined with the active, continuing year-round use of the facility, the site infrastructure has deteriorated significantly and that deterioration appears to be accelerating. This has led to budget overages, safety concerns, and a deteriorating partnership with the operator due to these issues as well as concerns related to compliance with current regulatory standards.

As with any aging facility, it is not possible to plan for or predict what specific elements of the Sportspark facility infrastructure will break and when these elements will fail. That causes great uncertainty when budgeting for facility repairs and maintenance year over year, which is the responsibility of PC, and has led to the Departmental budget overage for each of the past few years as illustrated previously in this document. Additionally, it makes it difficult on the patrons of the facility when there is uncertainty as to whether there be an infrastructure failure necessitating facility shutdown for repair.

Safety Issues

Acute Infrastructure Failures

Additionally, this pattern of on-going random, unanticipated infrastructure failures has led to contractual friction as described previously and significant safety concerns both with respect to actual acute and chronic failures, described further below. Just in the past few years, there have been several incidents of acute facility failure:

- where metal roofing has come loose from buildings at the facility and been blown off onto the fields (Multiple occasions – 2012, 2015 and as recently as September 2016);
- where safety netting support poles have snapped and fallen directly on the volleyball courts tearing safety netting along with it (September 2016), and

- where electrical failure including smoke accumulation in the Operator building have been reported requiring fire department dispatch (February 2016).

In addition to the immediate risk imparted by these acute failures, under the present operational model, PC has not been able to effectively control the continuing facility use after such failures. Those acute failures may create extended safety concerns if the facilities are still being used as repairs to the damaged facilities are pursued. As stated previously, on several occasions, PC recommendations to not use certain facilities when they were in a compromised condition have been disregarded.

The reality is that amenities within older facilities will wear out and/or break unexpectedly and will require necessary repairs completed safely in accordance with government procurement and other regulatory standards. As described earlier, delays in completing safety or other infrastructure repairs due to process issues are not well-tolerated by CS.

Field Rutting

Another integrated safety and operational issue that is beyond the control of Pima County under the present operational model relates to heavy facility use. The multipurpose field at the Sportspark site is one such example. This field is used predominantly by CS for flag football, as illustrated previously in the use assessment. In accordance with sound turf management practices, standard Current Pima County NRPR procedures are to rest all turf fields whenever possible during early summer for a period of approximately 6 weeks in order to allow the Bermuda grass to establish itself. This resting period is especially critical as the transition from winter rye to Bermuda occurs. Additionally, as Sportspark is one of only two facilities in the County that are regularly overseeded with winter rye, an adequate establishment period for that seasonal turf is also required. Failure to rest the fields properly and allow robust establishment of summer or winter turf results in field rutting, especially in areas of the field (typically the middle) that receive the most foot traffic. Such rutting has been observed on the multipurpose field and when softball fields are being used for flag football.

Asphalt

A more chronic problem at the facility is the on-going deteriorating condition of the asphalt, both in the parking lot as well as the interior pathways and areas within Sportspark. Examples of this crumbling condition are illustrated as Exhibit D. This has been a recent source of complaints of facility condition. These cracks and crumbling areas of asphalt present challenging and uneven walking surfaces which should be repaired to enhance the walkability and safety of the site.

Aging Playground Structures

The two playground structures at the site were installed in 2001 without protective canopies over the structures. Over the 15 years of use and weathering, these structures are approaching the end of their design life. The resins in the structures appear to have deteriorated significantly and replacement will soon be required. Although they are regularly inspected, if the playground structures fail safety inspection or break, they will need to be removed from the site and replaced if monies are available.

Aging Concrete Bleachers

Spectator seating at the Sportspark facility is provided via a system of built-in concrete “bleacher” structures. Although those seating areas have fared quite well over 33 years, they are showing signs of aging, cracking and general wear. Repair or replacement of these structures would appear to be prudent.

Utility Issues

Irrigation Water

Presently irrigation water for the Mike Jacob Sportspark fields is provided from a well operated by the Cortaro-Marana Irrigation District exclusively for service to the Sportspark. Payments for water provided to the site (and electricity to the wellsite) are made by NRPR and are on the order of \$15,000 to \$20,000 per year. Additionally, this well is an older CMID well and has had several failures over the past several years. CMID has eventually made the required repairs to the well and pump system during each of these failures, however the on-going and regular need to provide irrigation water to the fields at Sportspark has necessitated on several occasions that NRPR deploy water trucks to deliver supplemental water to the storage tanks at the site until such time as the CMID well is repaired and back on line.

Separately, potable water is supplied to the Sportspark site from several Tucson Water connections. These connections provide relatively small volumes of water for domestic use but are inadequate to provide sufficient irrigation water supplies when the CMID well system goes down and irrigation water delivery is interrupted.

Due to the age of the irrigation water delivery system that is under the control of CMID, it was apparent that an alternative irrigation water supply would be prudent for the Sportspark facility. The co-location of the Tres Rios Water Reclamation Facility and the ability to tap into the service water effluent line certainly suggest that a much more reliable and sustainable source of irrigation water is available adjacent to the site. NRPR has worked in partnership with the Regional Wastewater Reclamation District to recently (October 2016) complete the tap of the Service Water line (which now produces permitted A+ Reclaimed water) and completion of the plumbing connection to the water storage tank for Sportspark. This project cost of \$30,000 was funded as an NRPR deferred maintenance project. At this time, the connection will be used for contingency purposes only (i.e., if the CMID Well fails) until such time as RWRD completes the installation of an automated control system and regulatory signage and other regulatory requirements for use of reclaimed at the site are fully analyzed and implemented. This automated control system installation is expected to be completed by the end of the calendar year and regulatory compliance assurance would also be planned for the end of the calendar year.

Additional irrigation plumbing modifications at the site also appear to be prudent before the shift from CMID-supplied well water to reclaimed wastewater occurs. Although no record drawings of the plumbing system at the Sportspark facility are available, research completed by NRPR indicates that the irrigation system supplies not only sprinklers used to irrigate outfield turf of the six softball fields and the multipurpose field, but also quick connects for manually watering down the infield dirt and the volleyball courts. Although reclaimed water regulations for A+ water clearly allow for such use, it would appear prudent to complete plumbing system modifications enabling a split system. Such would allow

for the continuation of manual application of potable or well water to the infields and volleyball courts rather than reclaimed water because those manual applications may occur in an uncontrolled manner by someone other than PC staff (Operator or Park Patron). Our ability to fully control such applications and ensure compliance with ADEQ reclaimed water use regulations when such applications occur by others would be extremely difficult.

Therefore, it would appear that improvements to install the split irrigation system would be prudent before final conversion to reclaimed water irrigation at the site is completed. Such modifications would require an infusion of capital to complete the work and such capital funds are not readily available in the base NRPR Operating budget. At this time, it is unclear exactly how and where the split system would be optimally configured and therefore how much excavation on the site would be required, where that excavation would be required, and the costs of such actions to complete appropriate system modification. However, it is apparent that the required modifications to develop the split irrigation system would require significant excavation activities on site and the attendant disruption to on-going use of the facilities.

Electrical

Over the past two years, several electrical issues and failures have occurred at the Sportspark facility. Three issues occurred this year in February. Two of the issues occurred essentially back-to-back in early February where an electrical junction box was reportedly damaged causing failure of lighting to the volleyball courts and a subsequent windstorm reportedly knocked out the lighting system to several softball fields. Required repairs were made to these systems including relocating the junction boxes to a safer location to prevent future damage.

Another issue, as referenced previously in this document, occurred on February 12, 2016 and resulted in the appearance of smoke in the Operator office reportedly when an air conditioning unit was turned on. The Fire Department was contacted and the facility was evacuated. The exact cause of this fire could not be determined by internal electricians from NRPR as well as Facilities Management though char marks were reportedly discovered at an outlet location suggesting that a circuit was overloaded and circuit protective mechanisms did not trip.

No additional electrical fires at the site have since been reported since the February 12 occurrence. However, the mere existence of a single electrical fire of unknown cause certainly suggests a facility electrical audit may be prudent to ensure that the entire facility electrical system is safe and reliable. It is unknown until the results of such an audit how costly electrical upgrades to the facility would be in order to achieve the stated goals of a safe and reliable system. However, it is believed that the upgrades to the system could be substantial to bring the 33 year old facility up to current electrical code.

Natural Gas

The Mike Jacobs Sportspark facility was inspected by the Arizona Corporation Commission in 2016 based on an apparent report to that agency that the site contained a "master" gas meter. Apparently a master meter requires annual pressure testing which had not been regularly completed at the site. Gas is

supplied thru the master meter to the two pubs at the site and to the operator building. Consultation with Pima County Facilities Management, who was also unaware that this site had a master gas meter, resulted in a successful line test, but they indicated that the master meter and the line that feeds it, which is internal to the site just north of the offices, should be removed and replaced with individual lines and meters. This will require significant trenching and reinstallation of individual gas lines and meters to each facility on the Sportspark site.

Due to the successful line pressure test in 2016, discussions with the Corporation Commission inspector provided us a temporary reprieve to delay the construction and installation of the new gas lines and meters until January 2017. It is unknown how much this project will cost and what will be encountered once the excavation project begins. However, it is apparent that if natural gas is to be continued to be provided to the facility, the project will need to be initiated in January 2017 and this project will have significant disruptive impacts to the site, possibly including accessibility and use of fields depending on the location of the lines.

Regulatory Compliance

Pub Hoods

Inspection of the Sportspark facility was conducted in late 2014 by the Northwest Fire District. One of the items that was pointed out by Northwest Fire was that the pizza ovens did not have Type 1 exhaust hoods. Significant research and follow up discussions with Pima County building officials, industry trade groups, the Concessions vendor, and the Fire District occurred and eventually the Fire District agreed in correspondence from June 2015 that provided only pizza is cooked in the oven, and that oven cleaning is done on a regular basis, immediate upgrades to the exhaust venting from these ovens would not be required. However, significant facility renovations would require that additional protective measure of new exhaust hoods for the pizza ovens in the pubs.

ADA Issues

The Mike Jacob Sportspark, as mentioned previously, was first developed in the early 1980s. The Americans with Disabilities Act (ADA) was passed by Congress in 1990 and amended in 2008. The site was therefore fully developed before the implementation of ADA and typically such facilities may be legally exempt from most of the provisions of the law. A full discussion of ADA compliance requirements and the detailed nature of the Sportspark facility is beyond the scope of this report. However, compliance with some or all provisions of ADA would certainly be required when significant facility renovations are completed or if complaints regarding the accessibility of the facility arise. It is apparent from evaluation of the existing facilities, the significant sloping nature of portions of the site would result in accessibility issues for potential disabled park users and therefore site modifications would be required in order to ensure ADA compliance. Completion of this type of grade modification would be extremely costly and disruptive to activities at the site and would most likely necessitate closure of portions of the central core of the facility.

Safety Enhancements

It should be noted that although not necessarily regulatory in nature, safety requirements and recommendations have evolved over the past 33 years. Discussions with Risk Management staff and standards and protocols employed at other parks facilities both locally and around the Country indicate that a number of safety enhancements would be prudent at the Sportspark Facility in order to reduce the risks to patrons of the facility. Those enhancements should include raising the heights of sideline fencing to prevent foul balls (particularly when baseball is played) from hitting spectators at the site.

Site Access Concerns

Ina Road Closure

The Arizona Department of Transportation has begun construction in 2016 on a new project to redevelop the Ina Road interchange at I-10. This project is expected to take at least 2 years to complete and has already begun to impact users of the Sportspark facility. Utility relocation is on-going and has impacted the frontage road that is the access point to the Sportspark. Portions of the parking lot for the Mike Jacob Sportspark are being acquired by ADOT for this project and the County is receiving appropriate compensation but will lose parking spaces.

When major construction begins, traffic detours will be created due to the closure of Ina Road under the Interstate. Westbound traffic will reportedly be diverted north on the westbound frontage road up to Cortaro Farms Road and then back down the eastbound frontage road. It is unknown whether this inconvenience for users of Sportspark will translate into reduced use of the facility due to the inconvenience associated with the detours but this eventuality seems likely. Should such decreased use occur, revenues to the County would decrease but expenses for the maintenance of the site would essentially remain unchanged.

Although the Sportspark facility has been regularly and continuously utilized over the past three decades, the site infrastructure has aged and has only received sporadic and reactive repairs when something fails. Fortunately, to date these infrastructure failures have not caused injuries to users of the facility. No regularized program of preventative maintenance which would require a proactive reinvestment in the facility has ever been initiated at the site. Therefore, the sporadic and unanticipated nature of these failures creates management challenges in keeping the site safe and operable. Facility improvements are needed to make site safe and compliant with all applicable regulations.

Summary

Based on our analysis of the Sportspark facility, the following section summarizes critical points of our facility analysis that may be used to guide the decision-making process:

1. The Mike Jacob Sportspark is a very unique sports facility that is strategically located in the jurisdictional limits of the Town of Marana along Interstate 10, approximately 90 miles south of the metropolitan Phoenix area.
2. The site contains the second largest softball complex in the region with six lighted fields and a significant outdoor lighted sand volleyball complex unique to the area.
3. The facility was developed approximately 33 years ago and has received limited investment in infrastructure over the 3 plus decades of operation. That limited infrastructure investment by the County occurs when something breaks and it is repaired or replaced.
4. The facility is operated under a partnership model where the four partners are Pima County NRPR for facility maintenance, Championship Sports for operations of leagues and tournaments, Pinnacle Concessions for concessions, and American BMX for operation of the Funspot. Operating Agreements exist between Pima County and each of the three vendors listed.
5. The existing operating model has resulted in recurring conflict between the partners. The County is regularly criticized for the quality of maintenance and upkeep to the facility by Championship Sports, and Pinnacle Concessions has indicated that they will not file for their option period after contract expiration on December 31, 2016 due to conflict with Championship Sports. Therefore, the site will not have a contracted concessions vendor after that time.
6. Pima County NRPR spends approximately \$410,000 each year to meet our obligations under the facility operating agreements. Fees due the County in accordance with the agreements reduces the net operating expenses to the Department to approximately \$263,000 annually with approximately half of the revenue coming from fees from the concessions vendor and half from the leagues and tournaments operator.
7. The facility is regularly and heavily used for adult softball, volleyball and flag football league play. Total annual team participation as reported by the Operator in the past 5 years ranged from 1358 to 1956 adult softball teams, 352 to 813 volleyball teams, and 109 to 235 flag football teams.
8. Due to heavy facility use and no contractual obligation to rest fields, there is little time available for turf recovery and that fact has led to concerns regarding the quality and safety of the fields.
9. Tournament use of the facility has exhibited a steady downward trend over the last number of years with participation reportedly dropping from 758 teams in 2011 to 190 teams in 2015 (a 75% reduction).
10. The Sportspark facility is predominantly an adult league use facility. Typically less than 7% of the facility use is associated with youth sports activities according to data provided by the operator.
11. The site infrastructure has deteriorated over the past 3 decades and elements of the infrastructure associated with the facility, including but not limited to safety netting and supports collapse and metal roofing materials going airborne, fail acutely and randomly, often during weather events.
12. Chronic infrastructure deterioration due to aging elements such as site asphalt and 15-year-old playground structures result in safety concerns at the site. Additionally, some of the aging amenities at the site do not conform to more contemporary safety recommendations based on Risk Management input. Operator and facility user tensions have frequently surfaced regarding our attempts to keep the facility operating at a safe and sustainable level while complying with all safety requirements as well as applicable regulations and policies.

13. There has been no programmed capital reinvestment in the facility and complaints have been received not only from the leagues and tournament operator, but from customers regarding the conditions of the facility (Exhibit E).
14. In addition to site safety concerns, utility infrastructure for irrigation water, electricity, and natural gas has aged and have failed directly or are not consistent with current regulatory and sustainability criteria.
15. Facility accessibility is just beginning to be impacted by a multi-year project to rebuild the Ina Road interchange at I-10. There is great uncertainty whether the road detours to the facility will negatively impact attendance at the Sportspark but some impact seems likely as the ability to access the site becomes more complicated especially when Ina Road thru traffic is fully shut down at the Interstate.

The Future of Sportspark - Alternative Approaches:

There are a number of possible approaches to manage Mike Jacob Sportspark into the future. The suite of plausible options is very dependent upon the desired type and degree of use and the desired level of capital investment in the facility. It is worthwhile to note that County staff and the Bond Advisory Committee were convinced of the value of this site to the Community as evidenced by the development of a proposed 2015 bond-funded project totaling \$3.2 million for significant Sportspark facility expansion, upgrades and redevelopment. Unfortunately, the voters failed to pass the 2015 bonds, leaving no capital funds for reinvestment at this facility. Additionally, NRPR has no funds available in our operating budget for capital investment in this site. Therefore, if major repairs and capital improvements to the Sportspark facility are desired to retain the safe use or expand the use of the Sportspark facility into the future, those capital reinvestment funds must be identified from some other source.

Potential options for the future of Sportspark are summarized below enveloping a full suite of investment options:

Option 1: Shut down the Sportspark facility permanently due to condition of the premises

- a. Elements
 - i. Allow existing Contracts to expire December 31, 2016
 - ii. BOS does not approve option period(s)
 - iii. Lay off or transfer existing County staff
 - iv. Demo facilities and retain for future site repurposing, possibly commercial or industrial use.
- b. Benefits
 - i. Site safety/compliance issues are abated
 - ii. Lowest cost outlay (estimated <\$50k expenditures) and could be handled via NRPR Base Operating budget
 - iii. \$263k direct annual operating cost savings for NRPR
 - iv. Potential future sale/lease of property on I-10 frontage for commercial/industrial use
- c. Detriments

- i. Likely public outcry from existing site user groups
- ii. Loss of second largest lighted softball facility in region with possible future losses of tournaments
- iii. Loss of 4 lighted sand volleyball courts and possible expansion in future
- iv. Loss of the predominant adult league recreational facility in the northwest
- v. Intangible loss of health and welfare benefits to adult league users

Option 2: Extend Option Period(s) to Championship Sports

- a. Elements
 - i. Facility continues to be used in an “as-is” condition
 - ii. Repairs conducted as things break
 - iii. Would include renegotiating Contract language to address County concerns
 - iv. Concessions vendor would be replaced
- b. Benefits
 - i. Quickest and easiest to implement
 - ii. No impact to existing customer base at the site
- c. Detriments
 - i. No reinvestment in site will occur beyond minimum that can be done by NRPR in a reactive manner
 - ii. Site deterioration would likely accelerate
 - iii. Regulatory compliance issues would not be mitigated leading to potential fine or facility shutdown
 - iv. Enhanced risk of injury to facility users due to infrastructure failure
 - v. Enhanced risk for unplanned site shutdown at any time due to infrastructure failure
 - vi. Loss of Concessions vendor and associated revenue will occur
 - vii. Loss of liquor license used at site due to concessions vendor departure
 - viii. Continuing partnership relationship challenges
 - ix. Likely annual net cost to Department increases over \$263k due to loss of concessions vendor

Option 3: Shut down facility temporarily due to condition of premises for critical yet limited, publicly-funded site safety and compliance repairs and improvements.

- a. Elements
 - i. Complete Gas Meter and Line improvements
 - ii. Complete irrigation system re-plumbing and reclaimed water connection
 - iii. Complete electrical audit and limited lighting enhancements
 - iv. Complete various additional safety enhancements –
 - 1. Sideline Fencing
 - 2. Basic building safety improvements
 - 3. Asphalt improvements

- 4. Playground replacement
- 5. Limited improvements to pubs
- v. Estimated 3-6 months closure to complete improvements
- vi. Estimated \$1 Million investment (source of funding needs to be identified) Benefits
- v. Addresses the predominant safety, compliance and basic infrastructure concerns at the site
- vi. When combined with Ina Road construction project, limited impact to facility operations
- b. Detriments
 - i. Does not address ADA issues and other fundamental site flaws
 - ii. Requires facility shutdown for estimated 3-6 months
 - iii. Estimated costs \$1 Million to County with unknown funding source
 - iv. Many of the improvements would be invisible to the facility users
 - v. Uncertain impacts on existing customer base
 - vi. Requires re-bid of Operating agreement(s)

Option 4: Shut down facility temporarily due to condition of premises for re-design and expansion with public/private capital reinvestment partnership.

- a. Elements
 - i. Re-examine structure and function of Sportpark facility
 - ii. Identify appropriate public/private partnership opportunities
 - iii. Complete market analysis to determine most appropriate approach to enhance the facility
 - iv. Complete facility enhancement/modification/expansion design
 - v. Construct improvements as designed
 - vi. Develop agreement to fully privatize operations of the site
 - vii. Complete bid for unitary facility operator who is willing to bring substantial capital investment in partnership with Pima County
 - viii. Estimated 12-18 months closure to complete improvements
 - ix. Estimated \$5M to \$8M investment required
- b. Benefits
 - i. Addresses all relevant safety, compliance and infrastructure concerns at site
 - ii. Makes the site ADA accessible
 - iii. Creates an updated, new facility which may be more attractive to event and tournament sponsors
 - iv. Eliminates downtime and associated complaints due to unanticipated infrastructure failures
 - v. Allows for redevelopment of the site in accordance with contemporary community sporting needs in Pima County
 - vi. Removes need for on-going public funding for operations thereby eliminating potential conflict in partnership
 - vii. Construction coincides with ADOT Ina Road Interchange project

c. Detriments

- i. Significant costs (\$5M – 8M) with unknown funding source
- ii. Significant shutdown period (12-18 months) required
- iii. Uncertainty in retaining existing local customer base upon reopening
- iv. Uncertainty with respect to obtaining sufficient private funding interest
- v. Uncertainty with respect to long-term success of operator

The four listed options are presented herein to define a full range of plausible alternatives for the Mike Jacob Sportspark, from zero capital investment coupled with site closure (Option 1) to a significant site reinvestment option coupled with a program to reinvent the site (Option 4). Other hybrid options that incorporate elements of those base alternatives listed above may be most appropriate.

Given the fact that the facility is heavily used by softball and volleyball leagues, and any closure will create some degree of public outcry from facility users, one prudent, hybrid option may be to attempt to work with the existing league and tournament operator to continue to manage limited league and tournament operations at the site for a short period of time (via contract amendment) while implementing some of the necessary facility improvements. Although the implementation of some of the proposed site safety and utility compliance improvements during continued facility use by leagues and teams would create the potential for conflict and may necessitate partial facility closures, this alternative would create a bridge between the existing operations and a future, improved Sportspark, that would be operated under an existing unitary contracted operator. Any short-term amendment to the contract, if acceptable to the current leagues and tournaments operator, should not exceed six months in duration, would need to contain provisions that indicate recognition of the challenges associated with operating a sports venue during site construction and mandate the need to fully cooperate.

The fundamental element to determine the most appropriate strategy for the future of Mike Jacob Sportspark is also directly linked to the availability of investment dollars for the site. The site has been operating for over 33 years without any program of proactive infrastructure improvement and replacement over time, either by the County or by Operators engaged by the County under contract at the site. Therefore, unplanned infrastructure failures are occurring with increasing frequency which creates a risk for facility users and also creates conflict with contracted Operators and facility users. Additionally, the facility does not conform to contemporary safety and accessibility guidelines for newer park facilities. Given these deteriorating conditions of the premises, along with its frequent and recurring use as an adult recreational softball, volleyball and flag football league site, it would appear prudent that some reinvestment at the site should occur to enhance safety for the users of the site and reliability of the site as a sports venue.

Unfortunately, NRPR has no capital investment funds available and the failure of the 2015 bond eliminated the largest recently proposed source of community investment funds for the facility. Unless another source of funds is made available to at least complete basic and fundamental infrastructure improvements at the site (Option 3), the risk of the continued use of the site grows exponentially as facility infrastructure ages. Possible sources of funds including monies from ADOT for condemnation of Sportspark and other County land associated with the Ina Road interchange project as well as any residual parks bond monies should be considered for this purpose. Whether the site should be further

upgraded, modified or expanded beyond basic improvements (Option 4), should be based on the ability to stimulate interest in private investment in the facility and develop a robust site redevelopment partnership to create a new and improved Sportspark facility that provides the region with a modern high quality sports venue that can be effectively marketed not only to local residents for league play but to state and regional tournament operators as well. This level of investment, coupled with an appropriate marketing strategy, could stimulate renewed interest in the site that may reverse the on-going pattern of the demise of sports tournaments at Mike Jacob Sportspark.

Should the selected option involve capital reinvestment in the site, once the site improvements were completed, it is recommended that the operating model at the Mike Jacob Sportspark facility be modified if sufficient community vendor interest in the site exists. Rather than a trifurcated operating model splitting maintenance, leagues and tournaments, and concessions among multiple parties, it would appear prudent to attempt to fully privatize this site, running it via a single contracted vendor who would be responsible for all aspects of the facility operations, including organizational charge of all leagues and tournaments, concessions, as well as all utilities and maintenance.



Pictometry International Corp.



Exhibit A
Mike Jacob Sports Park
Facility Layout

 Concession stand

October 2016

1 inch = 200 feet



Property line representations and/or any other type of boundary, line or point location contained within the data of display within the product are approximate and cannot be used for authoritative location purposes. Users should independently research, investigate and verify all information before relying on it or using it in the preparation of legal documents. Legally-defensible property boundaries can only be established by state-registered professional land surveyors. A list of Arizona Registered Land Surveyors is available at www.aalss.com.

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Edward Jerome Laber, Esq., CPA

33 North Tucson Blvd. • Tucson, Arizona 85716
(520) 624-3000 • ejl@edwardlaber.com

Via Certified Mail – Return Receipt Requested

July 28, 2016

Chuck Huckelberry
County Administrator
Pima County Governmental Center
130 W. Congress St., 10th Fl.
Tucson, AZ 85701

**Re: Renewal of Agreement for Operation and Administration of Leagues and
Tournaments at Mike Jacob Sports Park
Contract No: 11-05-C-142668-0110**

Dear Mr. Huckelberry,

My client, Championship Sports, LLC (“Championship”) has a contract with Pima County to operate sports leagues at the Mike Jacob Sports Park (the “Agreement”). The Agreement is recorded by the County as No. 11-05-C-142668-0110. The base term of the Agreement will expire on December 31, 2016.

Pursuant to §§ 8.2.1 and 8.2.2 of the Agreement, Championship hereby submits written notice that Championship desires to renew the term of the Agreement for four additional periods of one year each. Specifically, the renewal period will commence on January 1, 2017 and terminate on December 31, 2020.

Very Truly Yours,


EDWARD J. LABER

AGREED AND ACCEPTED BY:

Championship Sports, LLC

By: 

Lou Ciorca
Owner

C

Mike Jacob Sports Park

The below review was generated off of the Championship Sports (CS) agreement, 11-05-C-142668-0110. However, many of the identified issues and proposed solutions also apply to the Pinnacle Concessions (Pinnacle) agreement 11-05-P142667-0110.

Contract

Parties:

Contracting with separate vendors for League/Tournament Operator and Concession Operator has not been a successful operational strategy. These parties, for whatever reasons, have not been able to cooperatively operate special events, resulting in unfilled customer requests and unrealized income for county and vendors. The parties have had unproductive relationships on general operational issues such as cleaning, gate checks, operational hours and pricing. The Concession Operator, Pinnacle Concessions, has notified county via email in January of 2016 that he does not desire to extend his agreement past December 2016 under the same circumstances.

From: bbnewman@comcast.net [<mailto:bbnewman@comcast.net>]
Sent: Friday, January 29, 2016 1:55 PM
To: Martina Gonzales <Martina.Gonzales@pima.gov>; Joe Barr <Joe.Barr@pima.gov>; Robert Padilla <Robert.Padilla@pima.gov>
Subject: Re: pubs

That's B.S. The only nights we may not have security there is Tuesday and Wednesdays on volley and softball ball practices. We aren't even obligated to open for practices. I opened both sides against your suggestions last night and ran an 80% labor cost. I've been trying to work with Championship Sports for 6 years now with little progress. Having said that I'm formally informing you and Pima County that we, Pinnacle Concessions LLC, will not be looking to extend our current contract past December 2016 under the same circumstances with the current League Contractor.

Please call me if you have any questions,

Bob Newman

From: "Martina Gonzales" <Martina.Gonzales@pima.gov>
To: "Bob Newman" <bbnewman@comcast.net>
Sent: Friday, January 29, 2016 12:06:59 PM
Subject: pubs

Hi Bob,

I have a couple of questions.

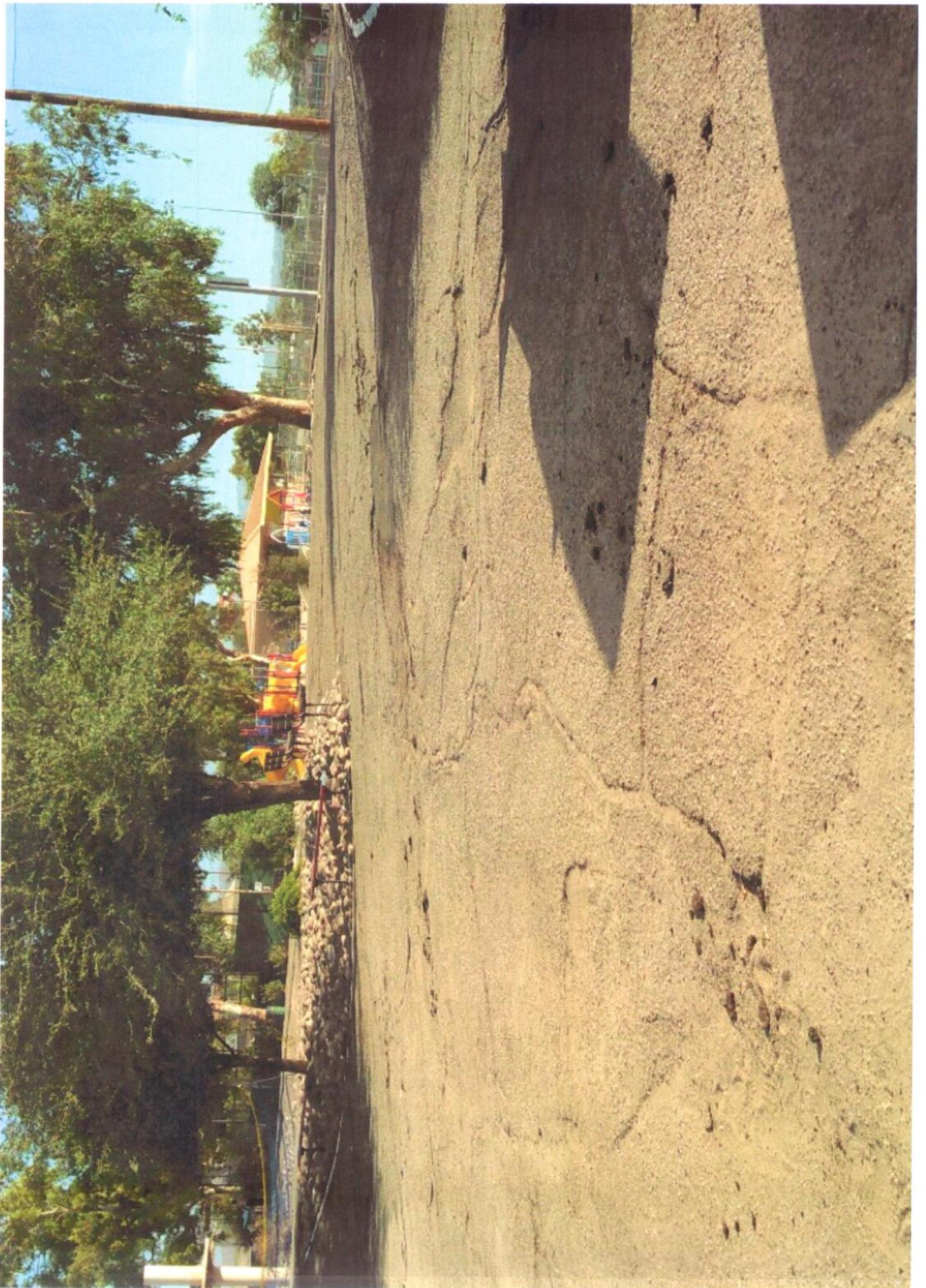
I've been told that you are not providing security at the gate is this correct? And that items such as bikes, skateboards, scooters & dogs are being let into the park.



D

L

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Pima County Parks and Recreation:

The time has come to have my voice heard in regards to the poor conditions at Mike Jacobs sportspark. When I first moved to Tucson 20 years ago the park was where I went to meet new people. Impressed with the overall conditions of the park, it became my second home. Wow has a lot changed or should I say little has improved. While there are so many issues with the park today I think it is better to list them to get my point across.

- ADA approved walkways. All the walkways are literally crumbling and full of holes. In 20 years I have never seen them repaved. Edges are hazardous, wheelchair access is challenging to say the least, and countless sink holes. Anyone with a disability is challenged just to enter the park or make it to the concession stand.
- Lighting or lack of is the primary reason the parking lot is consistently scouted and vehicles broken into and/or stolen. Having a cop a few days a week does nothing for the other days. When the new lights went up why couldn't they add even just one light to keep people safe in the parking lot? Do you even care about public safety out there?
- Concessions need to be torn down and rebuilt. I watch the employees drip with sweat due to lack of cooling and circulation inside both stands. Knowing the employees are dripping with sweat around food is not only disgusting but has to be some kind of health code violation. The cooling system is nonexistent for families to sit inside.
- The fields. The empty lot is safer to play in then the softball fields. The wavier I signed is for reasonable playing fields, not what you offer. New score boards that increased prices years ago have yet to work. Uneven infields with gravel and rocks have caused countless infections to myself and other players alike. The outfields are uneven, full of holes and clear safety hazards to anyone running around out there. Most recently nets were installed to keep balls from going to the bike track. Well the nets need to be attached to the fencing so they fall back into play. I have reached my tolerance with the BMX crew yelling and threatening me when I try to get a ball that I purchased because its three feet behind the fence. The next time one of the BMX employees threatens not to give me my ball back I will call the police and charge them with theft of my \$5.00 ball.

There is absolutely no justification for the park to literally deteriorate over the last 15 years. While I understand budget restraints are often used as a reason. There no acceptable reasons not to have these repairs addressed immediately. 15 years of money re allocated to other projects that were not spent on the park is not what taxpayers that use this park should have to accept.

Sincerely

A very irate taxpayer