

Review of Current Agreements

The current agreements (11) provided by the PLAY Committee were reviewed and for the most part seem to be in very good condition. Some overall comments and recommendations for all of the agreements include:

- All agreements need an annual review to critique how well things are working and identify as well as negotiate any areas of concern.
- Each entity involved needs to have the ultimate support from the top of the organization.
- All agreements need to address the equity of usage and costs for the usage.
- Pricing of usage needs to be determined by the cost to provide the service and should be updated annually.
- Utilize the Sample Partnership Policy and/or Field Use/Facility Use Policy located in the Appendix as a guide to make sure all items are included in the agreements.

Individual Agreement Review

USD 497 / City of Lawrence - Indoor Aquatic Center (1999)

The agreement should be updated after each annual review. Usage by the school should include specific dates and times for that year. Costs and pricing currently is vague and should be specific to that year. At each annual review session costs, pricing per hour, and schedules can be discussed and determined for the following year and added to the agreement.

USD 497 / City of Lawrence - Building Use (2007)

This agreement is very simple and needs to have additional information included such as specific costs, pricing, schedules, insurance, non-compliance clause, etc. This agreement needs to be supported from the top of each entity with policies that are applied equally for all school facilities and not left up to each principal. Schedules can be negotiated per school but pricing, usage policies, etc. must be universal between each level of elementary, middle, and high school levels. The agreement must be adhered to and enforced equally and consistently for both entities including the 48 hour cancellation notice. School facilities should be available for public use anytime it is not being used for school activities.

USD 497 / City of Lawrence - Carl Knox Natatorium (2006)

The agreement should be updated after each annual review. This agreement is a great example of each entity's schedule, responsibilities, and costs identified.

City of Lawrence / Youth Sports Inc. - Operations and Maintenance (through 2008)

The agreement is for multiple years and should be updated after each annual review. This agreement is a great example of each entity's schedule, responsibilities, and costs identified.

City of Lawrence / Lawrence Amateur Baseball Association - Field Use (2006)

This agreement should be updated after each annual review and does not identify costs or pricing for field use. The agreement should include an hourly pricing scheme based on the actual cost of providing services. The hourly costs per field should also include an additional cost per hour for lights. Specific schedules should be included in the agreement. This type of agreement will be much more equitable for both parties.

City of Lawrence / Lawrence Girls Fast Pitch Association - Field Use (2007)

This agreement should include an hourly pricing scheme based on the actual cost of providing services rather than the current 20% of the gross revenue of LGFPA. The hourly costs per field should also include an additional cost per hour for lights. Specific schedules should be included in the agreement. This type of agreement will be much more equitable for both parties.

City of Lawrence / Lawrence Tennis Association - Facility Use (not dated)

This agreement should be updated after each annual review and does not identify costs or pricing for facility use. The agreement should include an hourly pricing scheme based on the actual cost of providing services. The hourly costs per court should also include an additional cost per hour for lights. This type of agreement will be much more equitable for both parties. The agreement is a good example of including the schedule and responsibilities for each party.

City of Lawrence / Hoopster Basketball Inc. - Facility Use (2006)

This agreement should be updated after each annual review and include an hourly pricing scheme based on the actual cost of providing services rather than the current 20% of the gross revenue of Hoopster Basketball, Inc. Specific schedules should be included in the agreement. This type of agreement will be much more equitable for both parties.

Youth Sports Inc. / Douglas County Amateur Baseball Association / City of Lawrence - Field Use (2004)

This agreement should be updated after each annual review and does not identify costs or pricing for field use. The agreement should include an hourly pricing scheme based on the actual cost of providing services. The hourly costs per field should also include an additional cost per hour for lights. Specific schedules should be included in the agreement. This type of agreement will be much more equitable for all three parties.

Youth Sports Inc. / USD 497 - Field Use (2007)

This agreement should be updated after each annual review and does not identify costs or pricing for field use. The agreement should include an hourly pricing scheme based on the actual cost of providing services. The hourly costs per field should also include an additional cost per hour for lights. Specific schedules should be included in the agreement. This type of agreement will be much more equitable for both parties.

Section V. Partnership Agreements

Lawrence Amateur Baseball Association / USD 497 - Free State Baseball Field Use (2007)

This agreement should be updated after each annual review and does not identify hourly costs or pricing for field use. The agreement has a one time fee of \$7,000 for a two and one half month period of time with no reference to number of uses, rainouts, rescheduling, etc. The agreement should include an hourly pricing scheme based on the actual cost of providing services that allows LABA to pay due to usage. This also will allow USD 497 to rent the fields out to additional entities throughout the summer. The hourly costs per field should also include an additional cost per hour for lights. Specific schedules should be included in the agreement. This type of agreement will be much more equitable for all parties.

Sample Partnership Policy, Field Use Policy, and Sponsorship Policy documents are located in the Appendix and intended to be utilized as guidelines for partnership agreements, facility usage agreements, and sponsorship agreements. For the purpose of example, these samples utilize a parks and recreation agency as one of the partnering entities although the document can be utilized as an example for any type of partnering entity such as the Sports Authority, School District, Sports Associations, etc.

Potential Partnerships

PLAY Sports Authority

The PLAY Committee needs to adopt the creation of a Sports Authority to create an atmosphere that would allow current and new sports venues and each sports organization long-term successes. These entities (also known as Sports Corporations or Sports Commissions) are formed as a 501(c)3 not-for-profit organization to raise money typically for a single focus purpose that could include a sports facilities and/or programs that will better the community as a whole and their special interest. This entity would operate and maintain the new sports facilities and provide a business approach to these sports venues to ensure the fair and equitable allocation of access, resources and fees among all sports entities. Each sport within the community would organize into one association for their sport and have representation on the Sports Authority board. Typically, the officers for the Sports Authority would be knowledgeable, non-biased, at-large members appointed by the PLAY Committee. The Sports Authority creates bylaws to enhance the tournaments, scheduling, pricing, rentals, marketing, operations, maintenance, and capital replacement for the sports venues within the community. The planning team views this action as key to plan success.

Establish a Mission

The Sports Authority must create an independent mission that reflects the local and regional sports market, based on the programmatic needs of the community. The mission should also reflect the financial commitment of the Authority's participants.

The Sports Authority must create a mission that answers the following questions:

- Who are you serving?
- What is your vision of service for the community/region?
- Who are your programs targeting?
- How much are you subsidized and how?
- How much of the cost do you need to recover?
- What are your values?
- What are the priorities?

Establish a Maintenance Endowment

Maintenance Endowments are set up for organizations and individuals to invest in ongoing maintenance improvements and infrastructure needs. Endowments retain money from donations, user fees, individual gifts, partnerships, sponsorships, etc.

City of Lawrence / Chamber of Commerce / Douglas County / State of Kansas

Support Funding through a Sales Tax

This revenue source is a very popular method for cities and/or counties to fund these types of projects. The sales tax rate can be customized with or without a sunset date and can be utilized for capital and/or operations and maintenance for facilities. Previous Parks and Recreation Projects have been funded through this method.

Inter-local Agreements

Contractual relationships entered into between two or more local units of government and/or between a local unit of government and a non-profit organization for the joint development, usage and/or operation of sports facilities.

Utility Roundup Programs

Some city agencies have worked with their local utilities on a round up program whereby a consumer can volunteer to pay the difference between their bill up to the even dollar amount and the utility companies pay the department (or endowment) the difference. Ideally, these monies are used to support utility improvements such as sports lighting, irrigation cost, HVAC costs, and/or facility maintenance.

Tourism (Guest) Tax

Tax based on gross receipts from tourism related activities such as hotels/motels and rental cars, which may be used to build and operate sports facilities.

Entertainment (Ticket) Tax

This tax is on ticket sales for major entertainment venues such as college games, concerts, sport tournaments, movies, etc. This tax can also apply to video game machines.

Establish a Designated License Plate for Parks

This funding mechanism can be used to finance improvements or operations in the County or City through a designated license plate.

Real Estate Transfer Fees

As cities and counties have the need for new and/or improved facilities, some cities and counties have turned to real estate transfer fees to help pay for needed capital and/or operational costs. Usually transfer fees amount to $\frac{1}{4}$ to $\frac{1}{2}$ % on the total sale of the property.

Food and Beverage Tax

The tax is usually associated with convention and tourism bureaus. However, since other entities manage many of the tourism attractions, these entities receive a portion of this funding source for operational or capital expenses.

Cell Towers

Cell towers attached to light poles in game field complexes is another source of revenue the city could seek in helping support the system.

School District

Bond Referendum

The plan recommends new varsity sports facilities to meet the needs and demands of residents of the City of Lawrence and Douglas County. This funding source can be utilized by the school district. These bonds would be general obligation bonds initiated through School District Board approval and citizen vote.

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Not-For-Profit Organizations

Foundations

These dollars are raised from tax-exempt, non-profit organizations established with private donations in promotion of specific causes, activities, or issues. They offer a variety of means to fund capital projects (including capital campaigns), endowments, sales of items, etc.

Private Business and Individuals

Naming Rights

Many entities have turned to selling the naming rights for new buildings, courts, fields, stadiums or renovation of existing buildings for the development cost associated with the improvement.

Corporate Sponsorships

This revenue-funding source allows corporations to invest in the development or enhancement of new or existing facilities. Sponsorships are also highly used for programs and events.

Advertising Sales

This revenue source is for the sale of tasteful and appropriate advertising on scoreboards, ball field fences, dasher boards and other visible products or services that are consumable or permanent that exposes the product or service to many people.

Room Over Rides on Hotels for Sports Tournaments and Special Events

Cities have begun to keep a percentage of hotel rooms that are booked when the City hosts a major sports tournament or special event. The overrides are usually \$5.00 to \$10.00 depending on what type of room. Monies collected help offset operational costs for the facilities where the events are hosted.

Franchise Fee on Cable

This allows cities to add a franchise fee on cable to be designated for public facilities. The normal fee is \$1.00 a month or \$12.00 a year per household. Fees are usually designated for capital improvements or specific operational costs.

Irrevocable Remainder Trusts

These trusts are set up with individuals who typically have more than a million dollars in wealth. They will leave a portion of their wealth to the entity in a trust fund that allows the fund to grow over a period of time and then is available for the entity to use a portion of the interest to support specific facilities or programs that are designated by the trustee.

Private Developers

These developers lease space from government owned land through a subordinate lease that pays out a set dollar amount plus a percentage of gross dollars for facility enhancements.

Land Swaps

This where the city or county trades property to improve their access for needed resources. This could include property gain by the city or county for non-payment of taxes or where a developer needs a larger or smaller space to improve their profitability. The city or county typically gains more property for more recreation opportunities in exchange for the land swap.

Leasebacks on Recreational Facilities Can Produce Revenue

Many cities do not have capital dollars to build revenue-producing facilities but they will hire a private investor to build the facility according to the specifications they want and the investment company will finance the project and the City will lease it back from them over 20 years. This can be reversed where by the City builds the facility and leases to private management to operate it for a percentage of gross dollars to pay off the construction loans through a subordinate lease.