



Regular Meeting Agenda
Parks and Recreation Commission

Bill Haskell - Commissioner
Craig van-Keulen - Commissioner
LaRene Green - Commissioner
Mary Seehafer - Commissioner
Matt Wendt - Commissioner
Richard Scott - Commissioner
Ronald Locicero - Commissioner

Tuesday, March 20, 2018 7:00 pm

Council Chamber
17555 Peak Avenue, Morgan Hill, CA 95037

CALL TO ORDER

ROLL CALL ATTENDANCE

DECLARATION OF POSTING OF AGENDA

Per Government Code 54954.2

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT

Members of the public are entitled to address the Commission concerning any item within the Commission's subject matter jurisdiction. Public comments are limited to no more than three minutes. Except for certain specific exceptions, the Commission is prohibited from discussing or taking action on any item not appearing on the posted agenda. (See additional noticing at the end of this agenda)

COMMUNITY SERVICES DIRECTOR REPORT

ADOPTION OF THE AGENDA

BUSINESS:

1. APPROVE THE FEBRUARY 20, 2018 MEETING MINUTES

Recommendation:

Approve Minutes.

2. PARK MAINTENANCE UPDATE

Recommendation:

Receive update on City Park Maintenance.

3. REVIEW OUTDOOR SPORTS CENTER OPERATOR PROPOSALS

Recommendation:

1. Recommend to the City Council that staff be directed to negotiate and operator agreement with NewCo for operation of the Outdoor Sports Center; and
2. Provide feedback and comments the proposal submitted by NewCo.

4. COMMISSION WORK PLAN UPDATES

Recommendation:

Discuss and provide updates on Work Plan items.

ANNOUNCEMENTS

FUTURE COMMISSION AGENDA ITEMS:

ADJOURNMENT

NOTICE

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act that are distributed to a majority of the legislative body less than 72 hours prior to an open session, will be made available for public inspection at the Office of the City Clerk at Morgan Hill City Hall located at 17575 Peak Avenue, Morgan Hill, CA, 95037 at the same time that the public records are distributed or made available to the legislative body. (Pursuant to Government Code 54957.5)

PUBLIC COMMENT

Members of the Public are entitled to directly address the Commission concerning any item that is described in the notice of this meeting, before or during consideration of that item. If you wish to address the Commission on any issue that is on this agenda, please complete a speaker request card located in the foyer of the Commission Chambers, and deliver it to the Minutes Clerk prior to discussion of the item. You are not required to give your name on the speaker card in order to speak to the Commission, but it is very helpful. When you are called, proceed to the podium and the Mayor will recognize you. If you wish to address the Commission on any other item of interest to the public, you may do so during the public comment portion of the meeting following the same procedure described above. Please limit your comments to three (3) minutes or less.

Please submit written correspondence to the Minutes Clerk, who will distribute correspondence to the Commission.

Persons interested in proposing an item for the Commission agenda should contact a member of the Commission who may plan an item on the agenda for a future Commission meeting. Should your comments require Commission action, your request may be placed on the next appropriate agenda. Commission discussion or action may not be taken until your item appears on an agenda. This procedure is in compliance with the California Public Meeting Law (Brown Act) Government Code §54950.

City Council Policies and Procedures (CP 03-01) outlines the procedure for the conduct of public hearings. Notice is given, pursuant to Government Code Section 65009, that any challenge of Public Hearing Agenda items in court, may be limited to raising only those issues raised by you or on your behalf at the Public Hearing described in this notice, or in written correspondence delivered to the Commission at, or prior to the Public Hearing on these matters.

The time within which judicial review must be sought of the action by the Commission, which acted upon any matter appearing on this agenda is governed by the provisions of Section 1094.6 of the California Code of Civil Procedure.

For a copy of Commission Policies and Procedures CP 97-01, please contact the City Clerk's office (408) 779-7259, (408) 779-3117 (fax) or by email michelle.wilson@morganhill.ca.gov.

AMERICANS WITH DISABILITIES ACT (ADA)

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (408)779-7259, (408)779-3117 (fax) or by email michelle.wilson@morganhill.ca.gov. Requests must be made as early as possible and at least two-full business days before the start of the meeting.

DRAFT



Meeting Minutes Parks and Recreation Commission

Bill Haskell - Commissioner
Craig van-Keulen - Commissioner
LaRene Green - Commissioner
Mary Seehafer - Commissioner
Matt Wendt - Commissioner
Richard Scott - Commissioner
Ronald Locicero - Commissioner

Tuesday, February 20, 2018 7:00 PM

Council Chamber
17555 Peak Avenue, Morgan Hill, CA 95037

CALL TO ORDER

ROLL CALL ATTENDANCE

Attendee Name	Title	Status	Arrived
Bill Haskell	Commissioner	Present	
Craig van-Keulen	Commissioner	Present	
LaRene Green	Commissioner	Absent	
Mary Seehafer	Commissioner	Present	
Matt Wendt	Commissioner	Present	
Richard Scott	Commissioner	Present	
Ronald Locicero	Commissioner	Present	

DECLARATION OF POSTING OF AGENDA

Per Government Code 54954.2

PLEDGE OF ALLEGIANCE

Minutes Acceptance: Minutes of Feb 20, 2018 7:00 PM (BUSINESS:)

PUBLIC COMMENT

COMMUNITY SERVICES DIRECTOR REPORT

ADOPTION OF AGENDA

Motion van Keulen, Second Locicero. 6-0

PRESENTATION

1. RECOGNITION OF CHERISE WHITE - SENIOR CENTER HAIRCUTS

Cherise White was recognized for her team's work at the Senior Center.

BUSINESS:

2. APPROVE THE JANUARY 16, 2018 MEETING MINUTES

Recommendation:

Approve Minutes.

Accepted, with change noted to indicate Commissioner van Keulen was present at the meeting.

RESULT:	ACCEPTED AS AMENDED [UNANIMOUS]
MOVER:	Richard Scott, Commissioner
SECONDER:	Craig van-Keulen, Commissioner
AYES:	Haskell, van-Keulen, Seehafer, Wendt, Scott, Locicero
ABSENT:	Green

3. OLDER ADULT PROGRAMS AND SERVICES STAFF REPORT

Recommendation:

Accept the Older Adult Programs and Services Staff Report

4. COMMISSION WORK PLAN UPDATES

Recommendation:

Discuss and provide updates on Work Plan items.

Commissioners discussed work plan items.

ANNOUNCEMENTS

FUTURE COMMISSION AGENDA ITEMS:

ADJOURNMENT



PARKS AND RECREATION COMMISSION STAFF REPORT

MEETING DATE: March 20, 2018

PREPARED BY: Chris Ghione, Community Services Director
APPROVED BY: Chris Ghione, Community Services Director

PARK MAINTENANCE UPDATE

RECOMMENDATION(S)

Receive update on City Park Maintenance.

REPORT NARRATIVE:

The City of Morgan Hill Community Services Maintenance Team provides service to our public parks utilizing a combination of City staff labor and contract agreements. This 10-member team, consisting of a blend of full-time and part-time seasonal employees, is also responsible for our street and downtown maintenance, using a similar in-house/contract model as a cost-effective means to address the maintenance of the City owned infrastructure.

General services provided by City staff include keeping parking lots clear of trash and debris, policing the parks for litter; emptying trash containers; stocking mutt mitts for all parks and trails, irrigation control programming and maintenance; cleaning and checking the status of tot lots/play areas; cleaning restrooms (Community and Galvan); cleaning and maintaining tables, benches, barbeques, gazebos and other hardscape; trimming shrubs and bushes in parks and along trails, and weed abatement in the park fringe areas and along the trails. The crews also perform aeration and fertilization on our turf areas a minimum of one time per year in fall prior to the rainy season, and, when resources allow, a second application in spring.

Contract services at public parks are comprised of turf mowing and edging in the public parks, as well as in assessment district parks, however in these areas the contractor is also responsible for maintaining the irrigation systems, weed abatement and litter/debris removal from fringe landscape and associated hardscape areas. Contracts similar to the assessment districts are in place for our City facilities, several with large turf areas, similar to our parks.

Additional park contract services include tree services, rodent abatement and bee controls when required, as well as refreshing engineered wood fiber for play areas, installation of mulch to turf-free landscape areas, maintaining lighting for sports fields and courts, and detailed monthly inspections of play equipment.

Public Parks, Assessment District Parks, and City Facilities

The following table provides a list of public parks, assessment district parks and City Facilities that utilize park services and/or contract services.

Public Parks	Assessment District Parks	City Owned Facilities
Community Park	Belle Estates	Centennial Recreation Center (CRC)
Diana Park	Diana Estates	Civic Center/City Hall
Galvan Park	Fox Hollow	Community and Cultural Center (CCC)
Howard Weichert Park	Hamilton Square	Morgan Hill Aquatics Center (AC)
Jackson Park	Mill Creek	
Paradise Park	Murphy Springs	
Morgan Hill Dog Park	Oak Creek	
Nordstrom Park	Stone Creek	
Sanchez Park		
Railroad Park		
3 rd Street Creek Park		
Nob Hill Trail Park		

Projects

Projects funded the past few years to enhance our parks or repair backlog problems include:

- Design, bid and build parks at Depot Street (Railroad Park), 3rd Street (3rd Street Creek Park), and Nob Hill Terrace (Nob Hill Trail Park)
- Installation of LED lighting to a portion of the tennis courts at Community Park
- Installation of ADA pad and concrete curbing under gates at the Dog Park (ETA Spring, 2018)
- Installation of netting at the Community Park baseball field
 - Minimizing risk to tennis players and the tennis court service associated with foul balls
- Repair of lighting at community baseball field
- Installation of sidewalks, barbeques and park benches at Galvan park
- Addition of a storage container and new home plate/pitcher's mound at the Galvan park baseball field
- Installation of permanent stands to allow temporary fencing to the Morgan Hill Dog Park
 - Allowing to close areas for maintenance
- Connecting walking path for large dog park for times when the park is sectioned off for maintenance and the addition of a small path and bench for the small dog park
 - Coming this spring

Additional Plans

During the 2018 calendar year, the City of Morgan Hill will be continuing the pilot project to determine the feasibility of utilizing a more organic approach to land care. Training sessions in June with Beyond Pesticides are expected to inform staff to learn best practices and practical application of natural and/or organic methods to discourage weed growth with a goal to determine if a long-term plan to eliminate pesticides in our park areas will be financially feasible and sustainable. Soil testing, mentioned in the 2017 Park Maintenance Report is expected to begin in the 4th quarter of FY 17-18.

The maintenance team has also begun managing the maintenance required to support the three new parks noted above to assure smooth operations upon opening, which includes entering into service contracts for cleaning and landscape and adding the parks to the City staff park maintenance route.

Maintenance has also worked with the Engineering Division to make minor changes to the parks after opening to address unforeseen issues in and near the new parks to provide the users a safe and relaxing experience. A few examples include the addition of self-closing gates and maintenance of nearby self-closing gates which allow commuters to access the Cal-Train station and installing a pedestrian walkway on 3rd Street for safe access while walking to Nob Hill Trail Park.

Park Locations

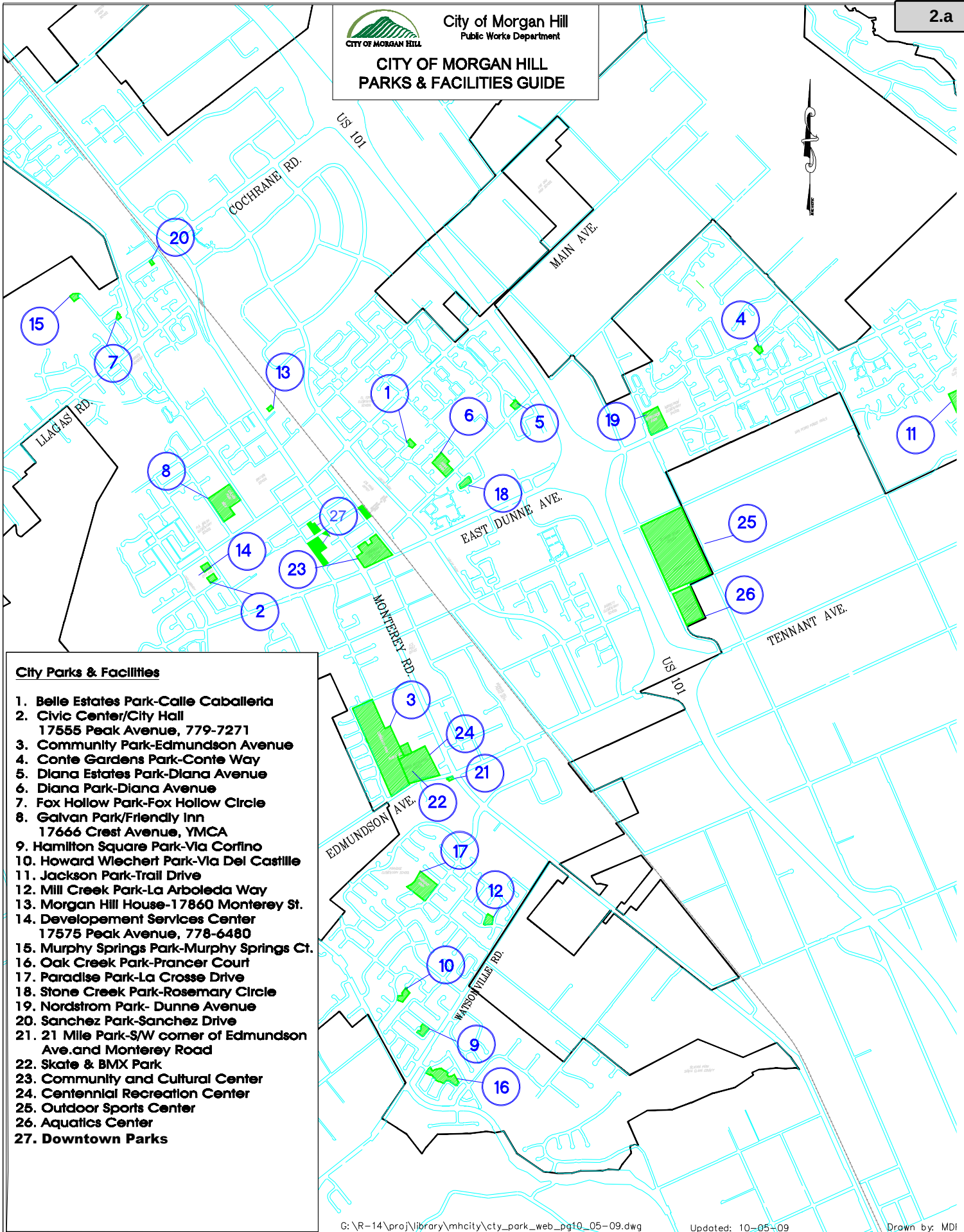
Park locations can be found on Attachment 1.

LINKS/ATTACHMENTS:

1. PARK LOCATIONS



**CITY OF MORGAN HILL
PARKS & FACILITIES GUIDE**





PARKS AND RECREATION COMMISSION STAFF REPORT

MEETING DATE: March 20, 2018

PREPARED BY: Chris Ghione, Community Services Director

APPROVED BY: Chris Ghione, Community Services Director

REVIEW OUTDOOR SPORTS CENTER OPERATOR PROPOSALS

RECOMMENDATION(S)

1. Recommend to the City Council that staff be directed to negotiate and operator agreement with NewCo for operation of the Outdoor Sports Center; and
2. Provide feedback and comments the proposal submitted by NewCo.

REPORT NARRATIVE:

On May 17 and July 19, 2017, the City Council received updates on the OSC operations and provided staff with direction to issue a Request for Proposals (RFP) for the operations of the Outdoor Sports Center. The primary concerns during those periods were the economic status of the current operator and the maintenance of the Outdoor Sports Center.

The concessionaire agreement with the Morgan Hill Youths Sports Alliance (MHYSA) currently runs through June 2019 and the schedule for the RFP process was established to allow for a new operator to be selected a year before the conclusion of the current agreement. This would allow for an appropriate transition between operators. During the meetings, the Council provided direction and feedback on the development of the RFP. This included:

- Concern of ending up with the same business plan from RFP results
- Finding out what is “cutting edge” and innovative and looking for opportunities to move our facility in that direction
- Discussing revenue generation versus community access
- Facility improvements that could elevate the level of the facility
- Looking inward to determine City needs first

The Council approved the guiding principles of future operations to be Community Access and Economic Development. Specific outcomes were established to support these principles.

Basic Outcomes

1. Balance community access with regional use
2. Operate the OSC without any City subsidy
3. Maintain the facility at an exceptional level
4. Provide sustainable, fiscally responsible, and transparent operations
5. Ensure a diverse mix of field use by sport type

6. Coordinate and manage event parking plans
7. Operations that integrate with:
 - a. City facilities, including the adjacent Morgan Hill Dennis Kennedy Aquatics Center
 - b. Local businesses and hotel operators
 - c. The future planned Destination Management Organization

Additional Desired Outcomes

1. Propose innovative facility use approaches and improvements. Potential approaches may include, but are not limited to:
 - a. Facility improvements to the OSC
 - b. Facility development at the OSC or on adjacent and nearby City owned or private property
 - c. The ability to work with the City or other partners/operators in overall management of facilities
 - d. Joint capital funding opportunities
2. Development of a funding mechanism for future planned maintenance and replacement
3. Open public (non-organized) use hours at the facility

Using this information staff developed the RFP (Attachment 1). The RFP was distributed locally, regionally, and nationally through local contacts and professional contacts in the sports tourism and management industry.

RFP Process

The RFP consists of a two-part process with a request for Letters of Interest (LOI) from potential respondents, before requiring a complete proposal. This was designed to allow the City to receive an early look at which organizations would be able to bring varying attributes to the overall operation and move those organizations forward. This was also designed to allow for further innovative operational partnerships between organizations and the City. The RFP timeline for the process is as follows:

September 8, 2017	Request for Letters of Interest Opens
October 2017	Tours and Informational Meetings
November 17, 2017	Letters of Interest Due (Close of Work Day, 5pm)
Early December 2017	Interviews with LOI Submitters
January 17, 2018	Review of LOIs by City Council
January 18, 2018	Invitation for Proposals Released
February 23, 2018	Proposals Due (Close of Work Day, 5pm)
Late February 2018	Interviews on Proposals (Not held, single proposal)
March 20, 2018	Recommendations by the Parks & Recreation Commission
April 4, 2018	Review by City Council
April- May 2018	Agreement(s) negotiated by City Staff
June 2018	Agreement(s) to City Council for Approval

Letters of Interest Review

To review the Letters of Interest a review committee was established. This review committee consisted of the Community Services Director, Recreation Manager,

Economic Development Director, two Parks and Recreation Commissioners, a representative from the Chamber of Commerce, and a representative from our local hotel group. The review committee developed a scoring matrix, reviewed all Letters of Interest and then conducted interviews for those organizations proposing to operate the Outdoor Sports Center. Six proposals were received. Upon receipt of the Letters of Interest, the committee quickly moved the organizations into two “buckets”. The first were those organizations proposing to operate the Outdoor Sports Center, which include:

1. San Jose Soccer Complex Foundation (SJSCF) in partnership with the California Youth Soccer Association (CYSA) and Orchard Valley Youth Soccer (OVYS)
2. Sports Facilities Management (SFM)
3. Morgan Hill Youth Sports Alliance (MHYSA)
4. MC Elite

The second “bucket” was made up of organizations not proposing to operate the Center, but proposing to partner with the City to develop sports facilities on City owned property.

1. Northern California Volleyball Association (NCVA)
2. Silicon Valley Cricket (SVC)

These proposals and the full Council report with recommendations from the Committee are available on the City website at: http://morganhillca.igmp2.com/Citizens/Detail_LegiFile.aspx?Frame=&MeetingID=1667&MediaPosition=&ID=1581&CssClass

Review of Potential OSC Operators

The review committee decided it would be best to interview all the organizations in the first “bucket”, who had proposed to operate the OSC. The committee used the interviews and Letters of Interest to score each organization. The scoring was based on the guiding principles and outcomes developed by the City.

After completing the scoring, the committee recommended that the City continue forward and solicit full proposals from the top two scoring organizations, which were the San Jose Soccer Complex Foundation and the Sports Facilities Management. The committee believes these organizations are the only two that have the ability to meet the outcomes established for the RFP. The committee did not recommend that the MHYSA move forward in the process. The committee understood the MHYSA is looking to shift its operating model in the future to one that is more integrated with City operations, but had concerns about the organizational capacity for it to carry forward in this model successfully. The committee very much appreciated the proposal from MC Elite, but felt they had the least experience in operating facilities and managing field sports. The committee did believe there may be opportunities to partner with the organization in development and/or operation of an indoor sports facility in the future.

On January 17, the City Council directed staff to move forward and seek full proposals from the San Jose Soccer Complex Foundation and Sports Facilities Management.

Both organizations originally committed to submitting full proposals. However, on the day proposals were due FSM submitted a letter indicating they would not be submitting a proposal. This letter is included as Attachment 2. A proposal from NewCo was submitted prior to the deadline. NewCo is the new interim name for the organization consisting of the San Jose Soccer Foundation, CYSA District 2 and Orchard Valley Youth Soccer. This proposal is included as Attachment 3. City staff as well as members of the original review committee (excluding the PRC Commissioners) have reviewed the proposal and believe it meets the outcomes established in the RFP and recommends the negotiation process begin with NewCo.

City staff recommend that the Commission recommend to the Council moving forward in negotiating an agreement with NewCo. City staff also recommend that commissioners provide input, concerns, suggestions, and opportunities they identify with the proposal to support staff in negotiations.

Review of Other Letters of Interest

For the second “bucket” of organizations, the committee has recommended that the City work directly with them to further review the development partnership opportunities they have presented. These proposals are for use of the recently purchased ten acres of City property directly adjacent to the site for additional parking and future recreation facilities (NCVA proposal) and the City also owns 26 acres designated for a future ball field complex (SVC). Both sites were included as optional components in the RFP process. Both sites are located outside the City limits in the County and have development constraints due to that fact. However, as was presented to the Council when the properties were purchased, the City does have the right to develop them in the County for a public purpose. Development on both sites would require planning, design, and environmental review.

The NCVA proposal would be to fund and utilize a portion of the 10-acre site to develop sand volleyball courts. If the City Council moves forward in approving further discussion on this possible use, there would be many important factors, but one of the most critical would be ensuring that the addition of the facility does not encroach on the area needed to solve the parking issues at the OSC and Aquatics Center.

The SVC proposal would be to fund and utilize the current Ball Field Site for the development of cricket fields. While this may seem contradictory to the intended purpose of the site, the SVC believes it may be able to develop the site so that it can be designed in a way that allows for both cricket as well as baseball and softball. Should the Council allow discussions on this opportunity to go forward, it is the intent of staff to make baseball and softball a requirement for any future partnership.

On January 17, the City Council directed staff to move forward and investigate partnership opportunities with NCVA and SVC. Staff has continued to move forward on both these opportunities.

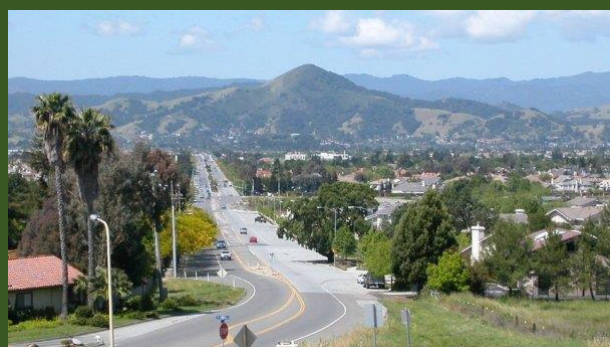
LINKS/ATTACHMENTS:

1. Request for Proposals - Morgan Hill Outdoor Sports Center
2. SFM Letter
3. NewCo Full Proposal
4. January Council Report with LOI



Request for Proposals

Morgan Hill Outdoor Sports Center Operations and adjacent Recreation Facility Opportunities



An exciting opportunity for Sports Facility and Event Venue Operators, Regional Sports Organizations and Developers.

RFP Issued September 8, 2017

Attachment: Request for Proposals - Morgan Hill Outdoor Sports Center (1673 : Outdoor Sports Center Operator Proposals)

Background

The City of Morgan Hill is seeking proposals to operate the 38-acre Outdoor Sports Center (OSC). The facility is located at 16500 Condit Road and is easily accessible from Highway 101. The City of Morgan Hill desires to be a mecca for sports and recreation related events and the OSC is the key facility in this effort.

Since 2010, the Morgan Hill Youth Sports Alliance (MHYSA) has operated the facility for both regional and local use hosting a variety of regional sporting events ranging from soccer tournaments to the Dog Agility World Championships, to concerts. The current operating agreement with the MYHSA concludes in June 2019 and the intent of the process is to have a new operator(s) for the OSC by July 2018 or earlier to ensure a smooth transition. The transition period is anticipated to begin in July 2018.

The Outdoor Sports Center is located within the City's proposed Sports Recreation and Leisure District and located directly adjacent to the City owned and operated Dennis Kennedy Aquatics Center (AC). The City additionally owns 10 acres of property adjacent to both sites and is currently being used as overflow parking as well as 26 acres of property a block away that has been land banked for future ball fields (see Attachment A).

In early 2017, the City completed an update to the City's Bikeways, Trails, Parks and Recreation Master Plan. As part of this plan the City hired Johnson Consulting to develop a Sports Market Business Strategy. A key recommendation in the study is the development of a Destination Management Organization (DMO) to support sports tourism. City staff is actively working with the local Chamber of Commerce and Hotel Group to move forward with the development of a Tourism Based Improvement District that can support a DMO type of organization.

Purpose of the RFP

The purpose of the RFP is for the City to explore operator proposals that could lead to a wide range of collaborative partnerships. Possible scenarios include:

- a) An agreement with an organization or multiple organizations to operate the Outdoor Sports Center.
- b) A development agreement that for potential development or use of the OSC in combination with adjacent public and/or private property to accomplish innovative sports recreation proposals, in addition to the operation of the OSC.
- c) An agreement to promote the OSC and other city facilities for the purpose of attracting sport events to the city.
- d) An agreement for a combination of any of the above scenarios. The City is open to all forms of partnerships including public/private partnerships, as long as the basic outcomes identified by the City are achieved.

The Facilities

Morgan Hill is located in South Silicon Valley, just 10 miles south of San Jose. The OSC is located just minutes off the freeway with two separate off ramps providing service to the facility and surrounding area. The location provides convenient access to many of the City's hotels. A map of facility locations is included as Attachment 1.

The Outdoor Sports Center

In 2007, the City invested approximately \$16 million in acquiring the property and constructing two synthetic turf fields with lights and bleachers, concession/restroom building, and improved parking for 325 vehicles. These improvements were added to the existing open grass areas, which provide space for up to 9 full size soccer fields. The OSC was developed to accommodate local youth non-profit athletic organizations (ie. soccer, football, lacrosse, field hockey, rugby), youth and adult regional tournaments, sports camps, high school games/practices, and other special events. The two artificial turf fields have reached their usable life and are scheduled for replacement by the City in December 2017.

Presently, the MHYSA maintains and operates the entire site including two artificial turf fields, nine grass fields, concessions, parking lot and restrooms. The facility has "limited access" because paid reservations are required to use the facility. The MHYSA uses several contractors to support maintenance, concessions and other operations. The 23 acres of grass fields do not have an in-ground irrigation system and are watered with large water cannons owned by the MHYSA, that is supported by one onsite well owned by the City. The City has expressed a desire for improved maintenance at the facility to the MHYSA, but overall the facility could be brought back up to a high standard with work.

Weekdays are normally used by local users for soccer, football and other sports, while weekends are often scheduled for large tournaments and events. Detailed photos and layout of the OSC are included in Attachment 2

The Morgan Hill Dennis Kennedy Aquatics Center

The Aquatics Center is currently operated and managed by City staff. The facility is located on a ten-acre site and devoted to both recreational and competitive swimming. The facility houses a 50-meter competition pool, instructional pool, recreation pool with water playground, two large waterslides, spray ground, meeting rooms, picnic areas, and locker rooms. The facility hosts summer recreation swim, which brings in between 500-2000 participants daily. The facility is also host to approximately 10 local and regional swim meets, which can bring in thousands of people on weekends.

City staff at the Aquatics Center regularly coordinate and collaborate with the current operator of the OSC in the areas of: parking management, cross promotion of facility use and shared advertising sales. It is not anticipated that operation of the Aquatics Center would be included

in proposals, however, the City is very interested in opportunities for innovative partnerships relating to coordinated management of the facilities.

City Owned Property designated for Parking and Future Recreation Use

This 10-acre property is currently vacant, unimproved property. It was purchased recently for future parking and recreation facility use. No City funding is allocated for permanent development. The property is currently being used as additional overflow parking for the OSC and Aquatics Center. The City is open to innovative future uses of this site in coordination with operations of the OSC and Aquatics Center. The site is located outside of the City limits within the County. Future development of this site will require the use of water wells as it cannot be connected to City services (in the near future).

City Owned Future Ball Field Site

This 26-acre property is currently undeveloped. It was purchased by the City in 2016 to land bank the property for the future development of baseball fields on the site. No funding is allocated for the permanent development of the ball fields within the next five years. The property is currently used for agricultural purposes. The City is open to innovative future uses of this site in coordination with operations of the OSC. The site is located outside of the City limits within the County. Future development of this site will require the use of water wells as it cannot be connected to City services (in the near future).

Adjacent Private Property

There is significant private property near the OSC both within the City limits and County. The City is open to innovative partnership models that utilize adjacent and nearby property in coordination with the operations of the OSC.

The Opportunity

The opportunity presented through this process is for an organization or multiple organizations to operate the 38-acre Outdoor Sports Center site. The City's primary goal is to ensure the ongoing operation of the OSC with the intention to meet two guiding principles approved by the City Council.

1. Provide athletic facilities for Morgan Hill community use for local organized sports groups.
2. Maximize the economic impact of the Outdoor Sports Center for the City of Morgan Hill.

To provide greater detail on the Guiding Principles a set of Basic Outcomes have been established. The Basic Outcomes are the baseline of what must be achieved through the RFP Process. The City has also established some Additional Desired Outcomes achievable through this process and the resulting collaborative agreement(s).

Basic Outcomes:

1. Balance community access with regional use
2. Operate without any city subsidy
3. Maintain the facility at an exceptional level
4. Provide sustainable, fiscally responsible, and transparent operations
5. Ensure a diverse mix of field use by sport type
6. Coordinate and manage event parking plans
7. Operations that integrate with:
 - a. City facilities, including the adjacent Morgan Hill Dennis Kennedy Aquatics Center.
 - b. Local businesses and hotel operators
 - c. The future planned Destination Management Organization

Additional Desired Outcomes:

1. Propose innovative facility use approaches and improvements
Potential approaches may include, but are not limited to:
 - a. Facility improvements to the Outdoor Sports Center
 - b. Facility development at the Outdoor Sports Center or on adjacent and nearby City owned or private property
 - c. The ability to work with the City or other partners/operators in overall management of facilities
 - d. Joint capital funding opportunities
 - e. Sponsorship models/advertising
2. Development of a funding mechanism for future planned maintenance and replacement
3. Open public (non-organized) use hours at the facility

RFP Process

The RFP Process will be one that occurs in two parts. Those interested in ultimately submitting a proposal shall submit a Letter of Interest (LOI) to participate in the proposal process. Subsequently, the City will request detailed proposals from selected organizations.

RFP Schedule

September 8, 2017	Request for Letters of Interest Opens
October 2017	Tours and Informational Meetings (By appointment, contact staff)
November 17, 2017	Letters of Interest Due (Close of Work Day, 5pm)
Early December 2017	Interviews with LOI Submitters
January 17, 2018	Review of LOIs by City Council
January 18, 2018	Invitation for Proposals Released
February 16, 2018	Proposals Due (Close of Work Day, 5pm)
Late February 2018	Interviews on Proposals
March 20, 2018	Proposal Recommendations to the Parks and Recreation Commission
April 4, 2018	Review by City Council
April- May 2018	Agreement(s) negotiated by City Staff
June 2018	Agreement(s) to City Council for Approval

Letter of Interest Submission Requirements

Letters shall be submitted electronically in PDF format and shall not exceed 20 pages (including any attachments, diagrams, etc.) in length or 10 megabytes (MB) in file size. All proposals shall be submitted via email to Chris.Ghione@morganhill.ca.gov.

The LOI is not intended to be a complete business plan, but is intended to provide enough data for the City to understand the concept of your future proposal.

Letters of Interest should include the following information:

1. **Organization Background.** Provide an introduction to your organization, its' goals and rational for submitting a proposal.
2. **Concept and Approach.** Provide an executive summary of your intended proposal. Describe how your proposal will support the Guiding Principles and if your organization intends to meet all outcomes individually or support some of the outcomes and collaborate with others to meet all outcomes.

3. Relevant Experience. Provide experience of your organization as it relates to your intended proposal.
4. Organizational Structure and Staffing. Describe the future planned structure of your organization to support your intended proposal.
5. Facility Use. Describe what components of the facilities are necessary for your intended proposal. Describe capital improvements and maintenance planning and method of funding.
6. Financial Considerations. Include information on intended revenue and expenses related to your intended proposal.

Letters of Interest will be reviewed for alignment with the City Guiding Principles, organizational capacity, compatibility with City operations, and financial stability. Selected organizations will be invited to participate in the next stage and submit a full proposal.

Full Proposals

Those organizations invited to submit a full proposal, will be required to submit a full business plan that includes the following:

1. Management structure
2. Community access and regional use philosophy
3. Market strategy
4. Risk management plan
5. Revenue sources and pricing system
6. Itemized expenses
7. 3 year revenue/expense pro-forma
8. Capital funding plan
9. Integration of operations with City facilities
10. Use of sub-contractors and partner organizations
11. Planned collaboration with future Destination Management Organization

Other Information

- The City reserves the right to reject any and all submittals.
- The City is not responsible for any costs incurred by applicants in the preparation of a response to this RFP.
- Applicants should be aware that the City, as a public entity, cannot guarantee the confidentiality of information contained in the RFP submittal. While the City will attempt to maintain confidentiality of submitted materials, applicants may choose not to submit some information requested in the RFP. If such an instance occurs, the affected applicants should note for the reviewers the specific information purposely withheld and indicate that it will be provided to the City if granted an interview.
- City reserves the right to waive any informality in the process.
- City reserves the right to accept proposals from organizations that have not submitted a Letter of Intent, should the City determine, at its sole discretion, that it is in the best interest of the City.

Contact Information

Chris Ghione, Community Services Director

408.782.9154

chris.ghione@morganhill.ca.gov

Supporting Documents

1. Current Concessionaire Agreement and associated information – <http://www.morganhill.ca.gov/1028/Operating-Agreement>
2. Sports Market Business Strategy – <http://www.morganhill.ca.gov/1429/Master-Plan-for-Parks-Trails-and-Bikeway>
3. MHYSA Website (Current Operator – not a City site) - <http://morganhilloutdoorsportscenter.com/>
4. Morgan Hill Economic Development Website - <http://ca-morganhill2.civicplus.com/628/Economic-Development>
5. Area Site Layout – Attachment 1
6. Outdoor Sports Center Site Layout - Attachment 2

Attachment 1 - Morgan Hill Sports and Recreation Facilities

Morgan Hill Outdoor Sports Center

16500 Condit Road

11 Fields – 9 Grass & 2 Synthetic Turf

Morgan Hill Aquatics Center

16200 Condit Road

3 Pools including Competition Pool, Instructional Pool and Water Park Features

Future Baseball/Softball Site

26 acres to be used for a 6 Ball Field Complex

Future Recreation Facilities Site

10 acres to be used for parking and recreation facilities expansion



Attachment 2 Outdoor Sports Center Site Layout

Grass Fields

- 9 fields
- 23 +/- acres
- Watered by above ground water cannon system
- No field lights

Synthetic Turf Fields

- 2 fields
- Field lights
- Bleachers with seating for 600 and 200
- PA system
- Electronic scoreboards

Other

- Improved parking for 325 vehicles
- Unimproved parking for 200 +/-
- Restrooms
- Concession stand
- Tournament/meeting room







Date: February 23, 2018
Addressed to: City of Morgan Hill
Attention: Chris Ghione
Subject: Morgan Hill Outdoor Sports Center Management

Dear Chris,

We appreciate the opportunity to submit a proposal for management of the Morgan Hill Outdoor Sports Center. Since our last discussion, our team has analyzed the historical data related to MHYSA operations of the park and completed a high-level audit and assessment of performance against industry benchmarks and comparable facility performance.

Based on the RFP, SFM understands the City of Morgan Hill is currently seeking creative solutions to optimize the programming and the usage of the Morgan Hill Sports and Recreation Facilities. This includes “balancing community access with regional use” and “operating without any City subsidy.” While SFM is uniquely suited to meet the majority of the City of Morgan Hill’s goals related to diverse programming, economic impact, exceptional park standards, and guest experience; we do not believe the facility can financially operate without a subsidy. For this reason, SFM is not proposing full-time management of the Outdoor Sports Center.

During our review of the information related to MHYSA operations for the park, we found the financial performance to be relatively healthy. For publically owned outdoor multi-purpose long field complexes, the industry average for revenue on a per field basis is \$50,000. For fiscal years '16, '15, and '14 the MHYSA operated the park at \$60,868, \$78,725, and \$75,034 respectively – all above industry averages. The high-performing threshold is \$100,000 per field and the top-performing facilities are at \$180,000 per field. However, this level of revenue generation above and beyond industry averages typically comes by way of investment into the facility. In other words, they generate more dollars but not profitably. The two revenue areas that stood out as opportunities for the Center are Food & Beverage Sales, as well as, Sponsorship and Advertising. Both revenue categories are below industry average. Otherwise, parking, rentals, team fees, and other revenue categories looked relatively strong.

Related to expenses, cost of goods sold were not clearly broken down from overhead operating expenses. This is likely due to the rental nature of the current business. The industry average for facility expenses is around 60% of revenue. The MHSYA operated between 30 – 40% for the last three (3) years of reported financial data. This falls within the “high-performing” threshold of industry benchmarks. Operating expenses fell directly in line with industry averages around 35%. MHYSA Management payroll for the last 3 years also fell within the “high-performing” threshold of industry benchmarks.

EBITDA is an accounting term that stands for Earnings Before Interest, Tax, Depreciation, and Amortization. This is essentially a measure of bottom-line operating performance that provides a more “apples-to-apples” comparison with other operations. Most community owned outdoor multi-sport facilities are there to provide: 1) community access to recreation to improve the health and quality of life in a community, as well as 2) to generate economic impact through sports tourism. In both scenarios, there is typically a community investment that subsidizes the operation. This investment is either into community health and overall wellness or an economic driver of “heads in beds.” Therefore, industry average for this type of facility is -73% EBITDA. The high-performing range is -18% and the top-performing range is +25%. MHYSA has been operating the Outdoor Sports Center at -6.5%, +2.5%, and +3.1% in '16, '15, and '14 respectively. This is strong bottom line performance for this type of facility.



For this reason, SFM does not believe that we will be able to make a dramatic improvement in bottom-line performance for the City and achieve the goal of operating this venue without annual subsidy. If the City was willing to make an investment in the operation to drive economic impact, we believe that we could generate between \$5-10M on an annual basis. This level of economic impact would require an investment of the city between \$100,000 - \$300,000 annually. Spending \$100,000 - \$300,000 by the City on operations to generate \$5-10M in direct economic benefit could be a good decision if the City has the right means to capture the incremental revenue through hotel/lodging tax, sales tax, fuel tax, job creation, and other means.

If the City was interested in exploring this type of scenario, SFM would work with the City of Morgan Hill to establish a detailed operating budget for the Sports Center on a one-time fee basis. If adopted and agreed upon, SFM would then provide management as a service in a cost-plus model. SFM would manage the facility on a monthly management fee basis with deferred management opportunities on financial performance, economic impact, and sponsorship sales.

We also believe that if the City was willing to consider management of the Aquatic Center and future baseball-softball complex, combined with the existing Outdoor Sports Center, SFM could be of great value by creating efficiencies in the management and promotion of the collective group of assets. We appreciate the City of Morgan Hill's commitment to youth and amateur sports!

Sincerely,

A handwritten signature in black ink that reads "Eric Sullivan".

Eric Sullivan
Partner
Sports Facilities Management, LLC
727.474.3845 | esullivan@sportadvisory.com

NewCo, LLC

Orchard Valley Youth Soccer League • San Jose Soccer Complex Foundation • California Youth Soccer Association

Response to Request for Proposals

Morgan Hill Outdoor Sports Center Operations and Adjacent Recreation Facility Opportunities

February 21, 2018

1. Management Structure

The San Jose Soccer Complex Foundation (SJSCF), Orchard Valley Youth Soccer League (OVYSL), and California Youth Soccer Association (CYSA) District 2 propose to operate and manage the City of Morgan Hill's Outdoor Sports Center (OSC) and work toward expanding the complex in the coming years. NewCo, LLC is being formed by the three soccer organization partners for this purpose and will be registered as a 501c3 nonprofit limited liability corporation (LLC) in the State of California. NewCo's mission is to invest the time and money necessary to address and remedy the complex's recent shortcomings — particularly in the area of field maintenance and facility upkeep — and to explore various options to create a complex that's innovative and cutting edge to better serve the needs of local youth and adult recreational groups, as well as to attract large regional and national events of the highest caliber — with the intent of bringing significant economic benefits to the local community.

NewCo will be governed by a three-member board consisting of one member from each of the three sponsoring organizations:

- **OVYSL** — A soccer club based here in Morgan Hill with over 1,500 players. OVYSL's territory encompasses the greater Morgan Hill area including OSC, and it's essential for OVYSL to be able to access OSC for practices, games, and tournaments.
- **SJSCF** — A nonprofit organization established to develop and continually improve fields to host local, regional, and national tournaments for the 17 soccer leagues and approximately 25,000 players it represents in the surrounding five-county area.

- **CYSA District 2** — A group of affiliated leagues serving Santa Clara County, San Mateo County, and Santa Cruz/Monterey/San Benito Counties with a need for a large sports complex to host tournaments. As an organization, CYSA District 2 hosts tournaments on six weekends (three in the spring and three in the fall) each year. In addition, individual District 2 leagues currently host tournaments on another 12 weekends per year. All of these tournaments — as well as other tournaments created by local leagues in the future — could potentially be booked into the OSC.

Primary objectives of NewCo, LLC

No senior rights have been granted to any of the three sponsoring organizations — all will have vital roles to play in operating and managing Morgan Hill's OSC. The primary objectives of NewCo are as follows:

- Implement facility upgrades and perform ongoing maintenance to make OSC a premier venue of exceptional quality
- Ensure access for local recreational groups and sports organizations of all types, balancing local access with regional uses
- Operate the OSC without any subsidy from the City of Morgan Hill
- Maximize economic impacts for Morgan Hill businesses and the surrounding community by attracting regional and national events
- Effectively coordinate and manage parking operations to minimize traffic control issues — moving away from event-day collection of parking fees by including parking costs in tournament registration fees to mitigate traffic impacts
- Ensure fiscally responsible, sustainable, and transparent operations
- Integrate OSC operations to work with other city facilities including the adjacent Dennis Kennedy Aquatics Center
- Explore improvements and additions to the OSC that can elevate it into a premier regional sports complex to address opportunities to attract major sporting events to the complex in the future — to deliver substantial economic benefits to Morgan Hill
- Work closely with the planned Destination Management Organization envisioned in the future by the City of Morgan Hill

Backgrounds and experience of sponsoring groups

SJSCF is a 501c3 charitable nonprofit organization created to identify, build, and/or expand a soccer complex within District 2 to host large local, regional, and national soccer events. The foundation is committed to making a \$400,000 donation from its substantial field development

funds to renovate the grass playing fields at OSC. This will complement the city of Morgan Hill's commitment to refurbish the two synthetic turf fields at the complex.

The SJSCF board consists of representatives from each of the 17 leagues in CYSA District 2. The board currently has a total \$1.4 million in capital to invest in projects, with the ability to raise additional capital from the leagues it represents.

OVYSL is the youth soccer league that serves the local Morgan Hill community. The organization is also a 501c3 charitable nonprofit that has operated in the area for more than three decades. As the largest user of the OSC, OVYSL offers recreational, competitive, and special-needs programs for youths of all abilities. The league is committed to continuing to use the complex extensively for training sessions, league games, and its annual October Thriller Soccer Tournament. OVYSL is run by a 16-member voting board, with all members drawn from the local community. Each board member has a vested interest in ensuring that the OSC meets community needs in addition to attracting events that will provide regional or national exposure and economic benefits to the City of Morgan Hill. This will help ensure the balance the City is looking for in terms of local usage versus regional or national uses.

CYSA-North is the parent organization of District 2. As with the other two entities, it is also a 501c3 charitable nonprofit that organizes and delivers soccer experiences for approximately 160,000 youth and 30,000 adults across Northern California. This includes recreation, competitive, and special-needs individuals. Prior to MHYSA taking over as operator of the complex, CYSA-North managed the OSC, bringing more than 30 weekends of large soccer events annually to the local community.

Today, CYSA-North hosts three to four major tournaments yearly, spread over **eight** weekends. These would likely be hosted once again at OSC should NewCo be selected to manage and operate the OSC. When added to the 18 soccer tournaments held within CYSA District 2, this provides the potential to run soccer tournaments on as many as 26 of the 52 available weekends per year. That excludes other soccer events that could potentially be scheduled at the OSC, such as Olympic Development Program (ODP) training sessions, coaching courses, and more.

In addition, CYSA-North is affiliated with US Youth Soccer (USYS) — the largest youth soccer organization in the U.S. with more than three million members. USYS holds a number of soccer tournaments annually that extend up to a week or longer. A few years ago, one of these — the USYS Presidents Cup — was hosted at the OSC, bringing a week's worth of out-of-town visitors

and the economic benefits from extended hotel stays, local dining, and shopping revenues to the greater Morgan Hill community.

Functional responsibilities of the organizations

As mentioned above, NewCo will be governed by a three-member board, with one member drawn from each of the sponsoring organizations: OVYSL, SJSCF, and CYSA District 2. The following individuals are prospective members of NewCo's board, subject to appointment by the boards of the three sponsoring groups:

- Allison Bass, board member and director of under-12 competitive coaching, OVYSL; director of operations, Orchard Valley Toros FC
- Rodney Robinson, board member and secretary, SJSCF
- Lela Huenergardt, district commissioner, CYSA District 2

NewCo will hire a business manager for OSC (*see description of professional staff, below*) who will report to the board in all matters. The business manager will recruit and hire a groundskeeper/facilities manager and a concessions/vendor manager — again with the approval of the board. All contracts will be reviewed by the business manager and presented to the NewCo board for one of its members to execute before implementation.

The NewCo management team will meet monthly to oversee all matters pertaining to OSC operations, conduct budget reviews, prepare annual operating budgets — including capital improvements — and provide required reporting requirements to the City of Morgan Hill. We will also be able to create additional committees to oversee projects such as fundraising (including grant applications) and other projects, as needed.

We have identified an outstanding individual to lead our grant outreach efforts. That team member is:

- Anne Warner Cribbs, a 1960 gold medal-winning U.S. Olympian in swimming — Anne runs her own public relations firm, Anne Cribbs & Company, and has served as president and CEO of the Bay Area Sports Organizing Committee (BASOC). *Please see more about grants outreach under Revenue Sources and Pricing.*

Brief biographies are included as addenda at the end of this document.

Funds to operate NewCo, LLC will be raised as needed through the three constituent groups: SJSCF, OVYSL, and CYSA District 2. The precise method(s) will be at the discretion of each group and the funds will be provided to NewCo through either a donation or a loan. CYSA District 2 hosts several tournaments each year that serve as fundraisers in helping to provide money for field development activities through the SJSCF. These funds are drawn from fees charged to teams participating from all over the San Francisco Bay and Monterey Bay areas — from Hillsborough to Half Moon Bay, from Palo Alto to Pajaro Valley, from Los Gatos to Los Altos, and from Morgan Hill to Mountain View. It's also possible for CYSA District 2 to request direct support from individual leagues or to increase player registration fees for specific purposes such as acquisition of land to expand the OSC should that prove desirable.

Professional staff

The OSC will be professionally managed and operated with the help of three individuals — two of whom will be full-time and one part-time. These individuals are:

- Business manager — Responsible for marketing, scheduling, and overall management
- Groundskeeper — Handles field maintenance and facilities upkeep
- Concessions and vendor manager (half-time) — Works with on-site vendors and concessionaires

OSC Business Manager

Degree Level	College degree preferred, but not required
Degree Field(s)	Sports marketing
License/Certification	None required
Experience	Large sports complex management
Key Skills	Written/oral communications, general field and equipment maintenance knowledge and skills, marketing, vendor management
Median Annual Salary (2015)	\$80,000

Key Responsibilities

- Speak to rental groups, handle community outreach and business relations, review terms/fees for field rentals, and negotiate agreements
- Oversee accounts payable (including collections)
- Manage vendors, including field maintenance and janitorial
- Balance the needs of a high-quality complex against the requirements of rental constituents
- Manage disparate local subcontractors (field marshals, facility maintenance, field maintenance, security, and more)

OSC Groundskeeper

Degree Level	High school diploma or equivalent
Degree Field(s)	None
License/Certification	Certifications preferred, acceptable if not
Experience	Previous groundskeeping experience (farm field maintenance acceptable)
Key Skills	Written/oral communications, general field and equipment maintenance knowledge and skills
Median Annual Salary (2015)	\$60,000

Key Responsibilities

- Establish and review periodic field maintenance list with vendor(s)
- Handle routine to complex field and facility maintenance
 - Repair and adjust field equipment (e.g. irrigation, field water coverage issues, excessive field wear in certain areas, and so on)
 - Do weekly field lining and setup as needed
 - Set and adjust sprinklers
 - Mow grass fields
 - Manage weed/gopher abatement program
 - Handle soccer goal setup and repair
 - Provide hands-on oversight of locks and day-to-day security issues

OSC Concessions/Vendor Manager

Degree Level	None
---------------------	------

Degree Field(s)	None
License/Certification	None required
Experience	Vendor management, negotiating
Key Skills	Written/oral communications, food service and concessions knowledge and skills, vendor management capabilities
Median Annual Salary	\$40,000
Part time	Half-time position

Key Responsibilities

- Negotiate with and manage concessions vendors
- Collect revenue share from each vendor

2. Community Access and Regional Use Philosophy

NewCo is in full agreement with the objective of balancing local community access to the OSC with regional use for larger sports tournaments and other events. We fully anticipate continuing to reach out to and serve local Morgan Hill area groups that currently make up a large percentage of users at the OSC including:

- Orchard Valley Youth Soccer League
- Raiders Football/Cheer Program
- South County Outlaws (lacrosse)
- South Valley Rugby Club
- Sobrato High School (soccer and football)
- Britton Middle School (soccer)
- Charter School of Morgan Hill (soccer and flag football)
- Oakwood High School and Middle School (soccer)
- Silicon Valley Cricket Group

- City of Morgan Hill Adult Soccer

As in the past, community use will primarily take place during the week, with the entire complex often reserved for weekend tournaments and events when competitive teams in soccer and other sports can most easily travel. However, it's important to note that the local OVYSL also relies on the OSC for both weekday soccer practices and weekend games throughout the year.

The City's plan to replace the existing synthetic turf on the two lighted turf will enable us to continue to make optimum use of these valuable fields, which experience particularly heavy usage during the late fall and winter months as local sports groups seek lighted fields for practices and games after dark. Installing lights on nearby grass fields could further enhance field rental revenues on a year-round basis, and this is something we would like to explore with the City as part of our planned improvements going forward.

Once NewCo has invested the funds necessary to refurbish the grass fields and bring the OSC back to the exceptional quality it has long been known for, we plan to reach out to the local business community to create destination packages with hotels, restaurants, and perhaps even retail stores — to further enhance the opportunities for having weekend tournaments deliver desired economic benefits to the local community.

Our long-range vision for the complex is to negotiate an appropriate price to purchase an additional 15-acre parcel adjacent to the swim center, which would enable us to expand the total number of soccer fields to 18 — creating a “super complex” similar to those in a handful of regions across the country. Nothing like this exists in the state outside of Southern California, where several large complexes host annual tournaments that deliver millions of dollars in economic benefits to the surrounding communities. Destination packages created for these tournaments would ensure that the expected revenues are shared by local businesses in addition to the host organizations.

3. Market Strategy

With its tri-party arrangement involving OVYSL, SJSCF, and CYSA District 2, NewCo brings a significant marketing advantage to the management and operations of the OSC. With the soccer leagues the sponsoring groups represent not only in Morgan Hill, but also throughout the San Francisco Bay and Monterey Bay areas and, in fact, across Northern California, we expect to be able to funnel a significant increase in soccer usage at the complex over time — while

remaining cognizant of and fully committed to the goal of ensuring local access for a diverse mix of sports and recreation groups and users within the City of Morgan Hill.

This simplifies the marketing challenges for NewCo as well as the City of Morgan Hill in returning the OSC to the level of prominence it had earned in the past when it was the go-to facility for high-level competitions for soccer teams from Eureka and Redding to Fresno — as well as a major destination for sports organizations drawn from Southern California, Oregon, Washington, Nevada, and other states throughout the West and across the U.S.

Building upon the broad community outreach that the MHYSA has conducted over the past seven years, we plan to continue to work to attract:

- Community sports leagues led by youth soccer, but also including adult soccer, youth tackle football, youth flag football, cricket, lacrosse, rugby, and more.
- Local high schools and middle schools, primarily for soccer practices and games as needed — but the OSC could also be used for other sports such as lacrosse and field hockey should those groups find it difficult to access school facilities for practices and games.
- Local competitions and tournaments — from OVYSL’s annual soccer tournament to dog agility training and competitions.

Beyond the local community, the OSC will once again be home to:

- Premier Northern California sports competitions such as CYSA’s California Regional League (CRL) and regional soccer tournaments such as District 2’s Spring and Fall District Cups tournaments, potentially CYSA’s State Cup soccer championships, and perhaps even USYS national soccer championships on some sort of rotating basis in the future.
- Other regional and national tournaments hosted by sports groups of every type that require an outdoor sports complex of the highest possible caliber and a community with all the assets that Morgan Hill provides in the areas of lodging, dining, shopping, and support services.
- Specialty events — ranging from car shows to music festivals — that may be attracted to a facility such as the OSC on open weekends.

Promising near-term marketing results

For the purposes of this proposal and business plan, we have assumed that we will attract **a minimum of at least four additional soccer tournaments annually** beyond what has been held at the OSC in the past. This **very conservative** assumption will generate additional revenue of at least \$50,000 annually — and together with reduced expenses on several line items will help move the complex from a negative to a positive cash flow — even with the additional maintenance and upkeep that we anticipate investing in the complex.

But this assumption of hosting four additional tournaments at OSC each year is really only the beginning. With the City committed to refurbishing the two synthetic turf fields and purchasing an additional ten acres of property for overflow parking at least in the interim, and with NewCo committed to investing approximately \$400,000 in renovated grass fields including in-ground sprinklers and significantly improved ongoing upkeep — the complex should in very short order regain its reputation as one of the premier soccer complexes in the West.

As noted earlier, the leagues represented by CYSA District 2 host tournaments on at least 12 weekends annually. Parent organization, CYSA-North, which encompasses leagues from the Oregon border to Fresno, hosts three to four statewide tournaments spread over up to eight weekends per year. That's 20 weekends of soccer tournaments, of which the included three-year financial pro forma (Attachment D) assumes we will only attract an additional four weekends of soccer. In the past leagues specifically sought to hold their tournaments at the Morgan Hill complex because it was known as the premier field complex in all of Northern California. By regaining this distinction, the OSC will become a powerful sales tool once again and we expect to substantially exceed the minimum assumptions in our pro forma (Attachment D) over the coming months and years.

In addition, if we are able to successfully negotiate for the purchase of the additional 15 acres adjacent to the property the City proposes to use as an overflow parking area — and if we achieve our vision of developing an additional 7 fields to create an 18-field “super complex” — that will open the door to unprecedented opportunities for the OSC to host extraordinarily prestigious regional and national soccer and other sporting events. This could ultimately enable us to market the OSC in ways never before imagined — bringing significant benefits to the City and local business community.

4. Risk Management

Public facilities such as the OSC must necessarily be concerned with risk exposure and management. While not all risk can be mitigated, paying proper attention to the potential risks involved and addressing those through appropriate measures can help protect both the City of Morgan Hill as the OSC's owner and NewCo and its sponsoring groups as operators and managers of the complex.

Improving playing conditions reduces risk

From our perspective, effective risk management begins with bringing the quality of the fields up to the exceptional level expected at a premier outdoor sports venue. When youth players are competing in sports — moving at high speeds, changing directions, trying to work together with teammates and avoid contact with opponents, and kicking soccer balls or passing or shooting lacrosse balls at speeds of 60 mph or higher — field defects can result in significant injuries to players as well as spectators. These defects may include burrows dug by rodents, uneven surfaces due to poor maintenance, improperly installed or maintained goals, and other issues. So, the first and best approach to minimizing risk and liability is to do what we already have planned: invest in renovating fields and taking care of other maintenance issues to restore the OSC to its previous top-quality condition.

Properly caring for synthetic turf and natural grass fields, goals and nets, lights, fencing, the grandstands lining the turf fields, scoreboards, buildings, and parking areas will not only substantially mitigate risk for the City and NewCo, but will also provide long-term protection for the OSC's valuable assets. IN addition, these enhancements will tend to alleviate risk associated with dissatisfied customers (the various leagues and sports organizations that we build relationships with) — namely that these organizations decide to choose to continue to host events at the OSC rather than seek other venues for tournaments, games, and practices.

Having OVYSL as one of our sponsoring partners ensures on-going patronage from what is currently the OSC's highest volume user. The local roots of members of OVYSL's board of directors will help us stay connected with and aware of the needs of other Morgan Hill area groups using the facility. And by meeting the highest quality standards, the OSC will have the drawing power to attract the kinds of local as well as regional and national weekend tournaments and events necessary to grow the complex's revenues over time.

Beyond that, we plan to address risks regarding personal injury and potential property damage by relying on the liability insurance that sports organizations are required to carry, as well as through damage waivers and rental deposits. OSC's professional staff and representatives of the groups that contract to use the facilities will be charged with monitoring usage and ensuring that uses remain within acceptable guidelines and that appropriate behavior is maintained at all times.

NewCo's board of directors will ensure that we comply with the City's contractor guidelines and regulations, and will also make certain that all operations at the center are in accordance with state laws and regulations regarding workers' compensation, health and environmental statutes, and other related issues. Regular reporting by NewCo and its representatives will keep the City apprised of any potential exposures or gaps in coverage.

5. Revenue Sources and Pricing

The primary sources of revenue for the OSC have been the following:

- Field rentals
- Concessions
- Parking
- Tournament fees
- Services
- Hotel commissions

The attached financial pro forma (Attachment D) shows significant increases in revenues from field rentals and parking and a small increase in concessions as a result of adding the projected four weekend tournaments we have assumed once NewCo becomes OSC's operator and manager.

At this point, we do not anticipate making any changes to the current fee structure at the OSC. With minimal inflation in recent years and families' entertainment dollars relatively constrained, we want to make sure that we stay highly competitive in terms of our fee structure, including field rentals, parking fees, and so on. However, we do believe that once we have restored the

OSC to the exceptional quality level expected from one of the premier sports complexes in the region, we may be able to implement modest increases in fees in the future.

Additional revenue opportunities

There are quite a number of additional revenue opportunities that we can address to enhance the OSC's revenue streams. These include:

- **OSC naming/sponsorship** — Based on our analysis, we believe it might be possible to raise \$25,000 to \$40,000 annually from the right family-oriented, health-focused corporate partner.
- **Team training camps** — Many European professional teams now spend a portion of their summers in the U.S. They come for preseason training, to play exhibition games in front of U.S. crowds to boost their visibility in the U.S. TV market, or to participate in invitational tournaments such as the International Champions Cup presented by Heineken.

Many of these teams — such as well-known international champions, Real Madrid and Manchester United, did last summer — spend up to a week in the Bay Area, ultimately playing matches at the SF 49ers' Levi's Stadium or the Earthquakes' Avaya Stadium. These teams need a home base to train, and have turned to local universities in the past. However, a refurbished OSC with multiple fields available for different purposes — including pristine lighted synthetic turf and grass fields to use in the cool of the evening — could compete effectively for these training dollars.

If we are able to, through the more efficient use of space at OSC, create a training and development center building complete with conference rooms and classrooms, this would further enhance our marketing advantages. In addition, this center could be used to attract CYSA's coaching classes, ODP training sessions, and more.

- **Additional lighted fields** — As mentioned above, if we can raise the capital — perhaps through the help of a grant — to add lighting to a number of the grass fields adjacent to the synthetic turf fields, these lighted fields would generate higher rental fees.
- **Variety of sponsorship opportunities** — Beyond the lead corporate naming sponsorship, we believe there are many other sponsorship opportunities for the OSC. Sports apparel and equipment providers such as Adidas or Nike; local technology leaders such as Apple, Google, or Facebook; and local hotels all might have an interest

in investing in local youths participating in healthy sports activities by purchasing advertising on scoreboards, signage throughout the complex, or in programs for particular events.

- **Expanded food services and concessions** — While the food, drink, and concessions options have expanded at the OSC in recent years, there's still room for much more improvement — which would drive additional revenue to the bottom line. We plan to explore ways to attract more vendors and concessionaires, and are also interested in looking into additional food services options that may be able to be attached to the existing office at the OSC.

Grants

Another promising source of revenue that NewCo could potentially tap into is grants. We intend to pursue grants for:

- Specific capital improvement projects, including installation of lights or in-ground irrigation and potential funding for purchases of additional land to support the creation of a “super complex” of 18 or more fields
- Unique events designed to reach out to underserved groups within the local community

Unfortunately, the notion of grants as readily available “free money” that can be easily obtained by any organization with legitimate aspirations to improve the recreation and fitness opportunities within a community is a bit misleading — as has been demonstrated by the difficulty in obtaining grants in the past.

There are two truisms about grants today:

- With belt-tightening everywhere — from large corporations to federal and state government entities, nonprofit organizations, and foundations — there is simply a lot less money to be divided among worthy grant applicants.
- Obtaining grants is an art, one that requires working with a grant writer who truly understands the field in which the applications will be submitted. As noted under the Organization Structure section of this document, we intend to contract with Anne Warner Cribbs — a 1960 U.S. Olympian in swimming, who held several American records at the time and was part of the gold medal-winning 400-meter medley relay team. Cribbs has gone on to devote her professional career in serving sport and the local community as head of her

public relations firm, Anne Cribbs & Company, in addition to as president and CEO of the Bay Area Sports Organizing Committee (BASOC).

With Anne's help, one of our key targets for grant money will be US Soccer. Because the OSC has historically served and will continue to cater to the local soccer community, U.S. Soccer Foundation's Safe Places to Play field grants would appear to be a real possibility as a source of funding to help improve and expand the OSC. Below are some details on the application process for one of these grants:

U.S. Soccer's Safe Places to Play Grants

Applying for a Safe Places to Play grant is a two-step process. First, you will need to submit a Letter of Interest (LOI) to the U.S. Soccer Foundation's Grants department. Second, if the Foundation approves the LOI, your organization will be invited to complete an official application.

Safe Places to Play LOIs are accepted on a rolling basis throughout the year. For 2018, LOIs are due by September 28, with full applications due by October 5.

As part of our LOI submission, we would be expected to obtain and submit an official project quote from one of U.S. Soccer Foundation Corporate Partner(s) relating to our proposed project in areas such as irrigation, lighting, synthetic turf, or other improvements. Before submitting our LOI, we would be asked to contact the appropriate partner(s) for our project from the list below.

To be eligible, we would need to prove that we own or have a ten-year lease on the land we intend to improve; that we are at least 50% funded; that the project has a clear timeline for completion; and that the field space would be for majority-use soccer. Funding is available to support from 15% to 50% of a given project, except that for irrigation, the funds can support up to 100% of a project. Maximum grants for irrigation are \$15,000, while lighting grants can be up to \$25,000 per field or \$50,000 if multiple fields are involved.

NewCo is committed to working diligently to identify the most promising sources of grant funds that we have a realistic chance of obtaining, and dedicating the resources needed to hopefully succeed in obtaining our fair share for development of the OSC.

6. Itemized Expenses

The attached financial pro forma (Attachment D) includes itemized expenses for OSC. As on the revenue side of the operation, we anticipate making minimal changes to most of the line items on the expense side. However, we propose to make substantial changes in several areas:

Increased investment in field maintenance

The first is in field maintenance as we discussed in our letter of intent. We are planning to increase the field maintenance budget by \$80,000 annually, which we believe is necessary to restore the playing conditions to the premier level desired. As part of our field renovation efforts, the SJSCF will invest \$300,000 in capital into an in-ground irrigation system for the grass fields. The sprinklers will be amortized over 15 years, which shows up as a \$20,000 annual line item on line 20 of the attached Excel spreadsheet. An additional \$100,000 will be used to pay for deferred maintenance on the grass playing surfaces.

Reduced salaries and payroll taxes

The other substantial change is that we believe that we can reduce the salary costs of the professional staff. By relying on 2.5 people with oversight from the NewCo board of directors, we project that we can reduce salaries by more than \$86,000 annually — with a corresponding decrease of not quite \$14,000 annually in payroll taxes. Should a significant increase in usage lead to a corresponding growth in responsibilities and work hours for the professional staff, we anticipate that the additional revenues would be more than adequate to cover any additional salaries required. We do not expect any increase in the salaries line item over the initial three-year period that we have detailed in the pro forma (Attachment D).

Proposed profit-sharing rather than annual lease

We are also proposing to eliminate the \$32,000 annual lease expense for the facility (see *financial pro forma (Attachment D) beginning in FY2020*), and instead will submit terms for a profit-sharing arrangement between NewCo and the City of Morgan Hill when we negotiate the final contract with the City. We believe that this will be mutually beneficial for both parties, especially with the anticipated development and marketing of the OSC going forward.

7. 3-Year Financial Pro Forma

The attached three-year financial pro forma (*Attachment D*) shows the income and expenses for having NewCo operate and manage the complex for the period from FY2020 – FY2022. The yellow highlighting calls out revenue and expense line items that have been changed (along with the elimination of the annual lease for the facility) from the existing management and operations of the sports complex.

8. Capital Funding Plans

As mentioned above, the San Jose Soccer Complex Foundation intends to make a donation of \$400,000 to NewCo, LLC to be used in renovating the grass fields at the OSC. That will still leave the SJSCF with ample funds on hand — in excess of \$1 million — to explore additional ways to enhance or expand the OSC — with potential assistance from significant grants and ongoing fundraising through CYSA District 2's member leagues. Our ultimate hope is to be able to create a “super complex” that would make Morgan Hill a major destination for the largest regional or national soccer tournaments or other sports competitions in the future.

Deferred maintenance

In addition to the \$400,000 we plan to use to renovate the grass fields at the OSC, there are a number of deferred maintenance items that we would like to be able to address in the near term as cash flow or additional capital permits. These deferred maintenance items include:

- Improving the bathrooms
- Refurbishing the nets between the synthetic turf fields
- Refurbishing the turf field sunshades
- Upgrading the scoreboards for the turf fields
- Replacing the water fountain by the turf fields
- Repairing the gates for the parking lot and football turf field
- Addressing the gopher issues in the front grass areas lining the parking lot — renovating the grass or replacing it with synthetic turf to avoid turned ankles
- Cleaning up the back maintenance yard

9. Integration of Operations with City Facilities

Our goal is to continue to integrate the operations of the OSC with other City facilities such as the swim center next door, and to work in concert with City systems (such as the online reservation system) whenever possible. We look forward to discussing the specifics of this in greater detail with City administration in the future.

10. Use of Subcontractor and Partner Organizations

We anticipate that the majority of work performed at the complex will be carried out by the proposed professional staff. However, when specialized services are required — such as for maintaining lighting standards and replacing bulbs or for specialized gopher abatement procedures, we may find that hiring subcontractors makes the most sense. When subcontractors are required, the OSC business manager will review candidates and bring his or her recommendations to the NewCo board of directors — which will make the final selections and sign appropriate contracts. Due diligence will always be performed to ensure that the subcontractors meet City standards and comply with applicable policies and requirements.

As for partners, we anticipate getting a tremendous amount of support — including ample volunteer time and effort — from the three sponsoring soccer organizations that will be benefitting from access to a premier soccer facility for tournaments, games, practices, and other usage. This is one of the key built-in advantages of selecting NewCo to operate and manage the OSC going forward.

11. Collaboration with Future Destination Management Organization

When the City of Morgan Hill implements its plan to launch a Destination Management Organization (DMO) to better understand the social and economic impact of tourism on the surrounding community and the resulting benefits that can be derived by having an organization to lead these efforts, NewCo will be happy to collaborate with its efforts to enhance the value of destination marketing and management for the City and its businesses and residents.

Operating a premier outdoor sports center at a premier level offers tremendous potential for delivering economic benefits within a community. If we are successful in negotiating for the additional 15 acres of property that we hope to acquire to create an 18-field complex, it will magnify this potential many fold at the OSC.

Case in point: San Diego Surf Cup

San Diego Surf Cup, played each year in late July and early August, is one of the most prestigious soccer tournaments in the nation. The tournament is played on more than 20 soccer fields set up on the city's polo fields.

Attracting 700 – 800 teams over two three-day weekends, the tournament generates more than 85,000 booked hotel rooms and an astounding \$139 million in overall economic impact according to a recent study by San Diego State University.

Now, it should be noted that the tournament has been in existence for more than 35 years and has used that time well — establishing itself as a tournament where “The Best of the Best,” as its entrance banner proclaims — come to play, with players watched by recruiters from leading colleges and universities as well as representatives of US Soccer’s national team programs.

But the point is that Morgan Hill and the surrounding South Valley have a lot in common with San Diego (minus the ocean beaches!) — an idyllic climate, abundant sunshine making for perfect playing conditions, a welcoming community, and many local attractions including world-class wineries, shopping, parks and recreation facilities, farm-direct produce, and more. So if we are able to create a “super complex” of up to 18 fields at the OSC, the sky’s the limit for the kinds of tournaments and events the City’s DMO will be able to bring to the community.

Conclusion

We are truly excited to be on the cusp of once again working in close cooperation with the City of Morgan Hill to elevate the OSC to the world-class facility it can be and to ensure that it receives broad, diverse usage from not only soccer organizations, but also a cross-section of local organizations in other sports. This will ensure that the OSC meet the needs of the local community as well as groups coming from throughout Northern California or across the nation.

We have the financial capital to invest to quickly bring the existing natural grass fields up to the desired level of quality and maintain that standard over time. And we have the will and financial support from a built-in constituency — families that love soccer — to make realistic plans to purchase the additional land necessary to create a sports complex that could literally emerge as a nationally known destination for sports organizations everywhere.

NewCo, LLC looks forward to establishing a mutually beneficial relationship with the City of Morgan Hill — with the strong participation of local OVYSL, close neighbor SJSCF, and long-time user CYSA — to create a true partnership that will be a win-win for the Morgan Hill community and the kids and adults who play the beautiful game of soccer throughout Northern California.

Addenda

Following are brief biographies for the prospective key executives within NewCo, LLC:

Rodney A. Robinson, SJSCF

Soccer volunteering experience

CYSA District 2 Commissioner — November, 2007 – December, 2017

SJSCF board member — 2006 – present

Work history

CEO, President, and Founder • Omney — Sold and delivered a real-time network for disbursing deposits to U.S. bank accounts and prepaid cards. Provides services to U.S. insurance companies, merchant acquirers, lenders, and other organizations. Sold Omney to MasterCard in November, 2014, and currently operate the company as a wholly owned MasterCard subsidiary.

Vice President of Product Management • Obopay — Led U.S. product management for Obopay, the world's leading mobile payment company.

Director of Product Management • Intuit — Led a team of product managers responsible for Intuit's data aggregation business including bank deposit account opening, account funding, money transfers, bill payment switching, and financial account aggregation.

Principal of Internet Services • IBM Global Services — National principal for banking, finance, and securities industries, as well as Western U.S. principal for Internet application development and systems integration contracts.

Education

Stanford University — BS in electrical engineering and BS in industrial engineering

Santa Clara University — MBA with emphasis in marketing and finance

Allison Bass, OVYSL

Soccer volunteering experience

Director of Operations, Orchard Valley Toros FC

Board Member, Director of Under-12 Competitive Coaching, OVYSL

Has held various positions with OVYSL including tournament director, coach, and team manager. As director of operations for the OV Toros, she is involved in almost every aspect of running the club — assisting with daily management of 37 competitive and 20 recreational teams. Allison is also a licensed coach and referee.

Work history

Owner and Operator • South County Collision Center

Manages the business and runs the production side of the facility. She is also a certified estimator for South County Collision Center.

Active in the Morgan Hill community — Allison has lived and worked in Morgan Hill for more than 20 years. She is an dedicated volunteer within the community and local schools, which her three children attend. She is thoroughly familiar with the needs of the local business community, Morgan Hill schools, sports groups, and city events and activities.

Lela Huenergardt, CYSA District 2

Soccer volunteering experience

CYSA District 2 Commissioner — December, 2017 – present

CYSA District 2 Tournament Director — 2013 – present

Responsible for CYSA District 2 Spring Cup and Fall Cup tournaments, played over five to six weekends each year. A majority of games are played at the OSC.

CYSA Tournament Committee — 2006 – present

Responsible for helping to place CYSA statewide tournaments at the OSC and overseeing all CYSA activities in Morgan Hill.

CYSA District 2 Tournament Committee — 2006 – 2012

Supported CYSA District 2 Spring and Fall Cup competitions.

Tournament Director, Almaden Valley Youth Soccer League — 2002 – 2013

Responsible for hosting annual Almaden Champions Cup (September) and the Almaden Halloween Classic (October). All matches scheduled and played at the OSC.

Anne Warner Cribbs, Grants Outreach

Work history

President and CEO • San Francisco Bay Area Sports Organizing Committee (BASOC) —

Led the San Francisco 2012 Olympic bid. Organized the 2006 FINA World Masters Championships, 2007 World Junior Table Tennis Championships, and the 2014 WFG Continental Cup of Curling in Las Vegas featuring Team North America vs. Team World.

Founder and President • Anne Cribbs & Company — Provides public and community relations services to a variety of clients throughout Northern California.

Board member — Has served on a broad portfolio of board positions and is currently serving as a commissioner of the City of Palo Alto Parks and Recreation Commission.

Education

Stanford University — BS in political science

Foothill College — AA degree, President's Medal for outstanding female graduate

Henry W. Cord, Project Management and Real Estate Consulting

Work history

Principal • Cord Associates — Provides real estate consulting and advisory services to a varied client base. Is active in assisting government, public entities, and private sector clientele in handling property acquisitions, development agreements, land-use entitlements, redevelopment efforts, land-valuation issues, public-private partnerships, and other related real estate advisory and support services.

Chief Negotiating Officer • San Jose Redevelopment Agency — Directed and administered real estate acquisition program and negotiated public-private development agreements for new downtown development projects.

Assistant Executive Director for Real Estate and Development • Dallas Rapid Transit Authority — Responsible for overall direction and implementation of acquisitions and development agreements.

Director of Real Estate and Development • Southern California Rapid Transit District —

Charged with organizing full-service real estate operation for land acquisitions, leasing, business and residential relocations, property management, and joint development.

Head of Development Group • Washington Metropolitan Area Transit Authority —

Directed development, planning and project implementation for joint development of commercial office, retail, and hotel projects at major transit sites. Handled property management, sales, and special acquisitions.

Education

American University — Certificate program in real estate

Attachments

- Mission Statement for the San Jose Soccer Complex Foundation
- Mission Statement for Orchard Valley Youth Soccer League
- Mission Statement for CYSA District 2
- NewCo's 3-Year Financial Pro Forma

Attachment A

City of Morgan Hill RFP Response

San Jose Soccer Complex Foundation

Mission: To Develop and Manage a Soccer Complex Serving Youths Ages 4 – 19

District 2 of the California Youth Soccer Association (CYSA), one of the largest youth soccer organizations in the U.S., serves families in 17 local leagues in Santa Clara, Santa Cruz, San Benito, San Mateo, and Monterey Counties.

Santa Clara County leagues include Almaden Valley, Alum Rock, Central Valley San Jose, De Anza, Foothill, Los Gatos, Milpitas, Mt. Hamilton, North Valley, Orchard Valley, Santa Clara, South San Jose, and West Valley.

CYSA District 2's goal is to offer youth players, ages 4 to 19, of all abilities the opportunity to play the greatest game in the world — and learn some valuable life lessons along the way as well.

In its mission to continue the long-term commitment to soccer and ensure adequate future playing fields, CYSA District 2 established the **San Jose Soccer Complex Foundation** in 2003. As a 501c3 charitable nonprofit organization, its purpose is to:

- ***Develop and manage a soccer complex capable of hosting soccer games***
- ***Provide excellent facilities for local teams to educate and develop players and coaches in the best practice and playing environment possible***

The SJSCF receives most of its funding from CYSA District 2 donations. These donations are from the fees generated from the fall and spring leagues and tournaments. Additional donations for land purchases and/or capital improvements have also been received from the CYSA District 2 leagues. The SJSCF board of directors is comprised of the CYSA District 2 league presidents, the District 2 commissioner and assistant commissioner, a treasurer, and two board members from parent, CYSA.

Attachment B

City of Morgan Hill RFP Response

Orchard Valley Youth Soccer League

Mission Statement

The Orchard Valley Youth Soccer League (OVYSL) and OV Toros FC are committed to providing South County area children with a fun and rewarding soccer experience and to teach them to love the game of soccer. All players participate as active and contributing team

members, while coaches support and encourage players to achieve their soccer goals. We as a league and club, establish a fun, yet disciplined environment that emphasizes the individual development of advanced skills, team ethics, team tactics, and good sportsmanship.

OVYSL and OV Toros FC strive to achieve the following goals:

- Instilling the fundamental principles of teamwork and fair play
- Focusing on skill development, tactics, and game strategy
- Helping players achieve the highest level of competitive play desirable
- Building self-esteem and confidence for each participant
- Educating the youth to respect their peers
- Developing local players to the level that will allow them to play at the high school, Olympic development, national, or professional level

Currently OVYSL has 37 competitive teams and 20 recreational teams. In addition, our U8 and U6 recreational program has approximately 150 local children participating.

Attachment C

City of Morgan Hill RFP Response

CYSA District 2

Serving Youth Playing the World's Greatest Game

CYSA District 2 is part of the California Youth Soccer Association (CYSA-North) — one of the largest youth soccer organizations in the U.S. We serve families in 17 local leagues in San Mateo, Santa Clara, Santa Cruz, San Benito, and Monterey Counties.

Our goal is to offer youth players of all abilities the opportunity to play the greatest game in the world — and learn some valuable life lessons along the way as well. Some call it soccer; others *futbol*. But all can call CYSA District 2 home.

Recreational players can play within their home league, or as part of a play-through league that includes teams from several neighboring leagues. Competitive players can

play on teams bracketed within a metro area — or all the way up to statewide leagues. CYSA District 2's Olympic Development Program (ODP) offers those with exceptional abilities and commitment levels a path to state, regional, and US Soccer's youth national teams.

While the primary playing season for CYSA District 2 teams is the fall, District 2 also offers a developmental spring season — with tournament play for fun soccer experiences throughout the summer.

Attachment D
City of Morgan Hill RFP Response
Pro Forma OSC Financials

P&L		FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Growth rate		Actuals						
		June-June	June-June	June-June	June-June	June-June	June-June	June-June
		MHYSA	MHYSA	MHYSA	MHYSA	NewCo LLC	NewCo LLC	NewCo LLC
Revenue								
1	Field rentals	\$ 349,373	\$ 349,373	\$ 349,373	\$ 349,373	\$ 379,373	\$ 379,373	\$ 379,373
2	Concessions	\$ 64,805	\$ 64,805	\$ 64,805	\$ 64,805	\$ 68,805	\$ 68,805	\$ 68,805
3	Hotel commissions	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,172	\$ 1,172
4	Parking	\$ 132,491	\$ 132,491	\$ 132,491	\$ 132,491	\$ 149,491	\$ 149,491	\$ 149,491
5	Services	\$ 43,497	\$ 43,497	\$ 43,497	\$ 43,497	\$ 43,497	\$ 43,497	\$ 43,497
6	Tournament fees	\$ 78,212	\$ 78,212	\$ 78,212	\$ 78,212	\$ 78,212	\$ 78,212	\$ 78,212
	Total Revenue	\$ 669,550	\$ 669,550	\$ 669,550	\$ 669,550	\$ 720,550	\$ 720,550	\$ 720,550
Expenses								
7	Alarm	\$ 1,298	\$ 1,298	\$ 1,298	\$ 1,298	\$ 1,298	\$ 1,298	\$ 1,298
8	Administrative	\$ 403	\$ 403	\$ 403	\$ 403	\$ 403	\$ 403	\$ 403
9	Bank fees	\$ 2,660	\$ 2,660	\$ 2,660	\$ 2,660	\$ 2,660	\$ 2,660	\$ 2,660
10	MH capital contributions	\$ 9,332	\$ 9,332	\$ 9,332	\$ 9,332	\$ 9,332	\$ 9,332	\$ 9,332
11	MH revenue sharing	\$ 1,866	\$ 1,866	\$ 1,866	\$ 1,866	\$ 1,866	\$ 1,866	\$ 1,866
12	Consulting	\$ 8,706	\$ 8,706	\$ 8,706	\$ 8,706	\$ 8,706	\$ 8,706	\$ 8,706
13	Contractors	\$ 24,186	\$ 24,186	\$ 24,186	\$ 24,186	\$ 24,186	\$ 24,186	\$ 24,186
14	Depreciation	\$ 2,068	\$ 2,068	\$ 2,068	\$ 2,068	\$ 2,068	\$ 2,068	\$ 2,068
15	Equipment rental	\$ 14,406	\$ 14,406	\$ 14,406	\$ 14,406	\$ 14,406	\$ 14,406	\$ 14,406
16	Event expense	\$ 1,435	\$ 1,435	\$ 1,435	\$ 1,435	\$ 1,435	\$ 1,435	\$ 1,435
17	Event expense - rentals	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650	\$ 650
18	Facility lease	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500	\$ -	\$ -	\$ -
19	Field maintenance	\$ 98,134	\$ 98,134	\$ 98,134	\$ 98,134	\$ 178,134	\$ 178,134	\$ 178,134

20	In-ground irrigation					\$ 20,000	\$ 20,000	\$ 20,000
21	Insurance – liability	\$ 22,807	\$ 22,807	\$ 22,807	\$ 22,807	\$ 22,807	\$ 22,807	\$ 22,807
22	Interest	\$ 3,892	\$ 3,892	\$ 3,892	\$ 3,892	\$ 3,892	\$ 3,892	\$ 3,892
23	Janitorial	\$ 26,064	\$ 26,064	\$ 26,064	\$ 26,064	\$ 26,064	\$ 26,064	\$ 26,064
24	License and permits	\$ 21,403	\$ 21,403	\$ 21,403	\$ 21,403	\$ 21,403	\$ 21,403	\$ 21,403
25	Marketing	\$ 5,415	\$ 5,415	\$ 5,415	\$ 5,415	\$ 5,415	\$ 5,415	\$ 5,415
26	Misc	\$ 15,049	\$ 15,049	\$ 15,049	\$ 15,049	\$ 15,049	\$ 15,049	\$ 15,049
27	Non-cap equipment	\$ 7,931	\$ 7,931	\$ 7,931	\$ 7,931	\$ 7,931	\$ 7,931	\$ 7,931
28	Office supplies	\$ 4,389	\$ 4,389	\$ 4,389	\$ 4,389	\$ 4,389	\$ 4,389	\$ 4,389
29	Parking security	\$ 2,398	\$ 2,398	\$ 2,398	\$ 2,398	\$ 2,398	\$ 2,398	\$ 2,398
30	Payroll taxes	\$ 42,068	\$ 42,068	\$ 42,068	\$ 42,068	\$ 28,207	\$ 28,207	\$ 28,207
31	Property taxes	\$ 4,189	\$ 4,189	\$ 4,189	\$ 4,189	\$ 4,189	\$ 4,189	\$ 4,189
32	Professional Services	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
33	Refunds	\$ 1,263	\$ 1,263	\$ 1,263	\$ 1,263	\$ 1,263	\$ 1,263	\$ 1,263
34	Repairs and maintenance	\$ 19,005	\$ 19,005	\$ 19,005	\$ 19,005	\$ 19,005	\$ 19,005	\$ 19,005
35	Salaries	\$ 261,692	\$ 261,692	\$ 261,692	\$ 261,692	\$ 175,000	\$ 175,000	\$ 175,000
36	T&E	\$ 1,006	\$ 1,006	\$ 1,006	\$ 1,006	\$ 1,006	\$ 1,006	\$ 1,006
37	Utilities	\$ 81,009	\$ 81,009	\$ 81,009	\$ 81,009	\$ 81,009	\$ 81,009	\$ 81,009
38	Total expenses	\$ 723,224	\$ 723,224	\$ 723,224	\$ 723,224	\$ 690,171	\$ 690,171	\$ 690,171
39	P&L (Loss)	\$ (53,674)	\$ (53,674)	\$ (53,674)	\$ (53,674)	\$ 30,379	\$ 30,379	\$ 30,379

Line 18: Field maintenance increase from \$98k->178k/year

Line 20: In-ground irrigation: 15-year straightline depreciation (\$300k, \$20k/year)

Line35: Salaries include (i) business manager (ii) groundskeeper (iii) 1/2 time vendor mgmt

Line 30: Commensurate reduction in payroll taxes

Lines 1,2,4: 4 additional CYSA tournaments, \$50k additional revenue



PARKS AND RECREATION COMMISSION STAFF REPORT

MEETING DATE: March 20, 2018

PREPARED BY: Chris Ghione, Community Services Director
APPROVED BY: Chris Ghione, Community Services Director

COMMISSION WORK PLAN UPDATES

RECOMMENDATION(S)

Discuss and provide updates on Work Plan items.

REPORT NARRATIVE:

The Parks and Recreation Commission finalized its Work Plan on May 16. The City Council approved the Work Plan on June 21, 2017. Commissioners may use this item to discuss and provide progress on Work Plan items.

The 2017/18 Fiscal Year Work Plan is attached.

LINKS/ATTACHMENTS:

1. PRC Workplan 1718 Final

Parks & Recreation Commission

FY 2017-18 Work Plan – Final – Approved by Council June 21, 2017

Project (Commissioner Responsible)	City Council Priority Supported	Start Date	Com- pletion Date	Staff Resources Required	Desired Outcome
1. Develop a Plan to Get Youth More Active in Parks and Recreation (Locicero)	Support Youth, Seniors and Entire Community	7/17	6/18	Recreation Manager (Minimal)	Plan for youth involvement.
2. Support Bicycle and Trails Coordination Effort (Haskell, Green)	Support Youth, Seniors and Entire Community	7/17	6/18	CS Director (Minimal)	Support the VTA Bicycle and Pedestrian Advisory Committee. Coordinate sub-committee working with community members on bicycle and trails issues with volunteer Bicycle and Pedestrian Advocacy Group.
3. Support efforts to create an inclusive playground (Locicero, Wendt, Scott)	Support Youth, Seniors and Entire Community	7/17	6/18	CS Director (Significant) CS Coordinator (Moderate)	Support the group that has formed for the creation of an inclusive playground in Morgan Hill. Support in the planning and fundraising efforts.
4. Support planning for updated operations at the Outdoor Sports Center (van Keulen, Haskell)	Support Youth, Seniors and Entire Community Maintaining Fiscal Responsibility	7/17	6/18	CS Director (Significant)	Support development of RFP for OSC operator. Provide recommendations on capital improvement projects.
5. Support the Planning for the CRC Health and Wellness Expansion Project (van Keulen/Seehaffer/Green)	Support Youth, Seniors and Entire Community	7/17	6/18	Recreation Manager (Significant)	Support planning for future health and wellness needs. Provide recommendations on proposals and designs.

Staff Resources Required: 0-50 hours = Minimal 51-100 hours = Moderate 100+ hours = Significant

Attachment: PRC Workplan 1718 Final (1675 : PRC Workplan Updates)