



Staff Reports

File #: 2116-2019, **Version:** 1

To: Honorable Mayor and Members of City Council

From: John Coates, Parks & Recreation Services Director

Prepared By: Katrina Gregory, Recreation Manager

TITLE:
North Bay BMX

RECOMMENDED ACTION:

Authorize the City Manager to execute a lease agreement with North Bay BMX for the BMX track at John F. Kennedy Park for a term of 5 years with an option to renew for an additional 5 years at an annual rent of \$5000, increased each year by the percentage increase in the Consumer Price Index and determine that the actions authorized by this item are exempt from CEQA.

DISCUSSION:

In 2006, the City entered into a License Agreement with North Bay BMX to construct and operate a BMX track at John F. Kennedy Park. The construction was completed in 2007. During the same period, the City also entered into an Agreement for Recreation Services Provider with North Bay BMX to provide recreation programs at the BMX track. As part of these agreements, the City would collect 20% of revenue from clinics and leagues hosted by North Bay BMX as well as \$1 for every rider on race days. Over the past 12 years, North Bay BMX has maintained the facility and made improvements without additional financial assistance from the City.

In 2018, North Bay BMX reached out to staff and expressed interest in creating a longer-term lease agreement. North Bay BMX had started conducting fundraising efforts for their non-profit with goals to make continuous improvements at the BMX track. North Bay BMX desires to have greater assurance about the longevity of their program before making larger capital improvements. In addition, North Bay BMX had formalized a partnership with USA BMX in order to join the larger efforts occurring with BMX racing and leagues around the country.

Staff has been working with North Bay BMX to negotiate a lease agreement to achieve the following goals:

- Update and formalize the agreement between North Bay BMX and City to meet current and future needs.
- Support the increase in demand and participation for the BMX sport and healthy activities for youth in the community.
- Support North Bay BMX fundraising capabilities and willingness to invest into the existing infrastructure at John F. Kennedy Park and to make continuous improvements at this valued

community resource.

- Support North Bay BMX's relationship with USA BMX organization that supports their classes and leagues.

The following are the key terms of the proposed Lease Agreement:

- North Bay BMX will pay a \$5,000 annual lease payment which will be subject to consumer price index (CPI) increases annually.
- The term of the lease will be five years with the option to renew for an additional five years.
- North Bay BMX will notify and receive approval from the City if they desire to make improvements over \$5,000. North Bay BMX will provide quarterly reporting on items such as monthly ridership counts, facility issues, site improvements or safety concerns.
- North Bay BMX will be solely responsible for the operations and maintenance of the facility within the BMX premises. North Bay BMX will have non-exclusive access to the nearby parking within John F. Kennedy Park.
- North Bay BMX would have exclusive use of the premises for the intended use of BMX riding and will work in good faith with any other community groups who would like to use the park.
- The City may terminate the Lease at any time with 180-days prior written notice in the event the City requires the use the Premises for any legitimate public purpose.

For the entire Lease Agreement, see Attachment 1.

FINANCIAL IMPACTS:

The Agreement would require North Bay BMX to pay rent of \$5,000 annually, increasing each year by the percentage increase in the Consumer Price Index (CPI).

CEQA:

City staff recommends that the City Council determine that the Recommended Action is exempt from CEQA pursuant to CEQA Guidelines Section 15301, which exempts the operation of, and minor alterations to, existing facilities.

DOCUMENTS ATTACHED:

ATCH 1 - Lease Agreement

NOTIFICATION:

None