



# City Council Memorandum

*City of Arts & Innovation*

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**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: DECEMBER 17, 2024**

**FROM: PARKS, RECREATION AND COMMUNITY SERVICES DEPARTMENT      WARD: 3**

**SUBJECT: APPROVE A CONCESSIONAIRE AGREEMENT WITH ITENNIS INC., FOR THE ANDULKA PARK TENNIS CENTER**

**ISSUE:**

Approve a Concessionaire Agreement with iTennis Inc., to manage and operate the Andulka Park Tennis Center.

**RECOMMENDATIONS:**

That the City Council:

1. Approve a Concessionaire Agreement with iTennis Inc., to manage and operate the Andulka Park Tennis Center for a period of five (5) years with the option to extend for three (3) additional five (5) year renewals not to exceed twenty (20) years;
2. Approve an interest-bearing account within the Interest-Bearing Special Deposits Fund specifically for capital improvements for the Tennis Center. The account shall be administered by the City as the sole trustee in order to provide for continued funding for capital improvement projects at the Tennis Center. The City shall deposit twenty percent (20%) of iTennis' quarterly rent payments into the account; and,
3. Authorize the City Manager, or designee, to execute the Agreement and renewals with iTennis Inc., including making minor and non-substantive changes.

**BACKGROUND:**

The Tennis Center is located at Andulka Park. It began operations on October 14, 2009. Equipped with eight regulation courts, one regulation clay court and one tournament court, the Tennis Center includes a 2,160 square foot Pro-shop building serving as the hub of the Tennis Center.

On October 14, 2009, City Council approved a concessionaire agreement with iTennis Inc., to manage and operate the Andulka Tennis Center.

For the past 15 years, iTennis Inc. has effectively overseen the operations of the Andulka Park Tennis Center, demonstrating a strong commitment to its success. Their responsibilities have included managing court rentals, providing tennis instruction, organizing leagues and tournaments, offering player services on the patio, and operating both the Pro-shop and food and beverage services. Additionally, iTennis Inc., has played a crucial role in promoting the Tennis Center through their marketing efforts, helping to increase participation and community engagement.

Since 2009, iTennis Inc. has proudly served over 100,000 participants and visitors through a combination of drop-ins, memberships, and tennis classes. These programs have not only enhanced recreational opportunities for Riverside residents but have also generated significant revenue for the City, contributing to the center's financial sustainability and growth.

iTennis Inc., has also made substantial investments in the upkeep of the Tennis Center, ensuring that the courts and facilities remain in top condition. Key projects include:

- Ongoing repairs and maintenance of identified facility issues to uphold the safety and quality of the tennis environment
- Daily facility maintenance, including landscape upkeep, for which iTennis Inc. allocates approximately \$30,000 annually

These efforts are critical to the long-term viability of the center and the continued expansion of tennis programs for Riverside residents.

On January 9, 2015, City Council approved the first amendment to the agreement extending the term to November 1, 2019.

On March 14, 2021, City council approved the second amendment to the agreement.

## **DISCUSSION:**

The current agreement with iTennis Inc. is set to expire on December 31, 2024. To ensure that Andulka Park Tennis Center remains well-maintained and continues to provide high-quality services to the community, the Parks, Recreation and Community Services Department (PRCSD) is requesting to enter into a new five (5) year agreement with iTennis Inc., with the option to extend for three (3) additional five (5) year extensions not to exceed a total of (20) years.

On June 24, 2024, the PRCSD submitted a request for Sole Source Justification to extend the concessionaire agreement with iTennis Inc. This was completed in accordance with Purchasing Resolution No. 24101 Section 702 (c) which states "When the Procurement can only be obtained from a sole source and the Manager is satisfied that the best price, terms and conditions for the Procurement thereof have been negotiated."

iTennis Inc. has successfully operated the Tennis Center at Andulka Park for over 15 years, demonstrating a proven track record of managing and maintaining the facility to the highest standards. Their extensive experience and ongoing commitment to the facility make them uniquely qualified to continue as the Tennis Center concessionaire. During their tenure, iTennis

has invested over \$135,000 in the following improvements:

- Lease improvements (e.g. Pro-shop improvements)
- Court equipment cost (e.g. tennis nets, tennis racquets)
- Court repair (e.g. resurfacing of four (4) courts, restriping courts, windscreens)
- Landscaping (e.g. tree trimming, irrigation upgrade)

The proposed extension will allow iTennis Inc. to undertake and finance essential improvements and maintenance projects estimated to exceed \$150,000. These projects include:

- Renovating the iTennis Clubhouse
- Court equipment cost (e.g. tennis nets, tennis racquets, court benches)
- Converting one tennis court into four (4) permanent pickleball courts
- Court repair (e.g. resurfacing of six (6) courts, restriping courts, windscreens)
- Restoring the clay court for tennis use
- Addressing ongoing repair and maintenance needs throughout the facility

The new multi-year agreement will provide iTennis Inc., the necessary time to recover the costs of these significant investments while ensuring that the Andulka Park Tennis Center remains in optimal condition for the community. Their continued operation will maintain the quality and accessibility of tennis programs for Riverside residents, fostering both recreation and community engagement.

The Purchasing Manager concurs with the recommendation in accordance with Purchasing Resolution No. 24101 Section 702 (c).

### **STRATEGIC PLAN ALIGNMENT:**

The agreement with iTennis Inc., aligns with **Strategic Priority 1 - Arts, Culture and Recreation**, and contributes to a combination of **Strategic Goal 1.2** to “Enhance equitable access to arts, culture and recreational service offerings and facilities.”, **1.3** to “Improve parks, recreational amenities, open space, and trail development, and fulfill critical lifecycle and facility maintenance needs.”, and **1.4** to “Prioritize safety at parks, trails, arts, cultural and recreational facilities.”

This action aligns with each of the Cross-Cutting Threads as follows:

1. **Community Trust** – Ensuring the iTennis facility is maintained to benefit the community as a whole and ensure youth and adults have a tennis facility that is available to them daily.
2. **Equity** – The partnership with iTennis, Inc. benefits the City as a whole by providing coaching curriculum, implementation and growth of tennis programs to grow the sport of tennis and ensure that the game is available and accessible to all.
3. **Fiscal Responsibility** – This agreement generates revenue for the City of Riverside and allows iTennis, Inc. to continue to provide services for the community and invest in the facility.
4. **Innovation** – The partnership with iTennis, Inc., allows the tennis facility to continue to

be maintained, enhancing facility upgrades.

5. **Sustainability & Resiliency** – Maintenance of the facility to continue to grow and serve the community.

**FISCAL IMPACT:**

The total fiscal impact of the agreement is an estimated revenue of \$60,000 per year, or \$300,000 for the term of the agreement. 80% of the revenue collected, estimated at \$48,000 per year, will be deposited into the General Fund, Park & Recreation-Recreation, Land and Building Rental account number 5205000-373100. The remaining 20%, estimated at \$12,000 per year, will be deposited into the Interest-Bearing Special Deposits Fund, iTennis-Andulka Concessionaire account number 0000721-225136. Estimated annual revenues are listed in the funds and accounts in the table below.

**Estimated Annual Revenue**

Fund	Program Name	Account	Annual Revenue
General Fund	Andulka Rental	5205000-373100	\$48,000
Interest-Bearing Special Deposits	iTennis-Andulka Concessionaire	0000721-225136	\$12,000
<b>Total Revenue</b>			<b>\$60,000</b>

Prepared by: Nicolas Avila, Recreation Supervisor  
 Approved by: Pamela M. Galera, Parks, Recreation and Community Services Director  
 Certified as to availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer  
 Approved by: Kris Martinez, Assistant City Manager  
 Approved as to form: Jack Liu, Interim City Attorney

Attachment: Concessionaire Agreement