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City Manager's Office

# Memorandum


**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Julie Edmonds-Mares

**SUBJECT:** BASCOM COMMUNITY  
CENTER UPDATE

**DATE:** October 31, 2012

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Approved  Date 10/31/12

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## INFORMATION

### BACKGROUND

In FY 2011-12, Council approved the placement of the Bascom Community Center (Bascom) on the Community Center Reuse Program (Reuse) list and directed that it have zero impact on the General Fund for utility and other operating expenses. The construction of the Bascom site was paid for with tax-exempt bonds. The IRS restricts the use of facilities financed with tax-exempt bonds by private parties, including non-profit organizations. The private activity requirements could be met under a Qualified Management Agreement, but requires the City to compensate, in this case, the non-profit provider for management of the community center. This arrangement is in conflict with Council direction to pursue an agreement with no impact to the General Fund.

Staff released a Request for Information (RFI) on October 4, 2011, that solicited the interest of non-profit and private entities to operate and maintain the facility beginning in the spring of 2012. A review panel met in November 2011 to review proposals and ensure alignment with community priorities. This initial RFI produced one viable lead service operator, the YMCA of Silicon Valley. After extensive discussions with the YMCA, they requested the facility be altered, which is strictly prohibited by the bond language. The YMCA determined they could not realize programs and services without modification to the facility. Concurrently, the City Attorney's Office responded with information regarding bond restrictions and the public versus private threshold for occupied space.

On July 9, 2012, a second RFI was issued to secure operating partners under the guidelines for the new Council approved "hybrid" model. This model provided reduced hours, dates, and space that would be made available to possible partners. On July 18, 2012, a facility tour was conducted resulting in 13 different non-profit organizations touring the facility. On August 3, 2012, the second round of the RFI process was completed resulting in the submission of only two applications.

## **ANALYSIS**

Both RFI processes have not resulted in viable partnerships for a number of reasons. As part of the second RFI process, staff contacted agencies that attended the facility tour and received feedback as to why the potential partners decided not to submit proposals. The majority of agencies indicated that the hours and dates made available to the agencies at the community center were not in alignment with their respective programs.

The Department of Parks, Recreation and Neighborhood Services (PRNS) is currently developing a new access matrix that will redefine available hours, times, and amenities as part of a new RFI process. As a "hybrid" model facility, PRNS is attempting to fill gaps in services while jointly addressing the need to manage revenue goals. In addition, staff is also engaging the community and is delivering an abbreviated range of services including camps and rentals.

## **NEXT STEPS**

PRNS will issue a third RFI using the new access matrix. This new RFI will provide greater access for potential partners with expanded hours, dates, and amenities. Through November 2012, PRNS will actively search out potential partners, meet with agencies to better understand needs, and utilize a soon-to-be formed advisory committee to solidify the center's relationship with the Bascom community. Key dates in the process are:

- First organized Advisory Committee Meeting - November 13, 2012
- RFI for Bascom Released - November 19, 2012
- Facility Tour - November 26, 2012
- RFI Closes - December 10, 2012
- Programs and Partnerships Begin - February 2013

/s/

JULIE EDMONDS-MARES  
Acting Director of Parks, Recreation and  
Neighborhood Services

For questions please contact Suzanne Wolf, Deputy Director, at 408-535-3576.