

TOWN COUNCIL STAFF REPORT

Title: Update on Community Recreation Center (CRC) Construction and Agreements with the Los Angeles Kings Hockey Club, L.P., and JV Ice PV, LLC.

Meeting Date: October 5, 2022

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RECOMMENDATION:

1. Receive an update from staff on the construction of the Community Recreation Center (CRC) and planned completion date.
2. Receive an update on the Facility Branding and Use Agreement with the Los Angeles Kings Hockey Club, L.P., and a Consulting Agreement with JV Ice PV, LLC, for the ice rink planned to operate within the Community Recreation Center.

BACKGROUND:

On February 17, 2021, Town Council awarded the contract to build the new Community Recreation Center (CRC) at Mammoth Creek Park West to the lowest responsive bidder, Hamel Contracting Inc. The goal of the CRC is to create a recreation destination that encompasses a wide variety of complementary, high-quality, and affordable recreation activities all in one location, in the vibrant downtown area. The CRC is the major recreation amenity at Mammoth Creek Park that includes four complementary components: the CRC structure (described below), the natural play area, a National Demonstration Site 7,700 square foot inclusive playground, and the new mobility hub. The mobility hub incorporates a new parking lot that includes 118 vehicle spaces (42 existing spaces) with provisions for a bus shelter and expanded bike racks. ADA and clean air vehicle spaces will be provided and provisions for electric vehicle charging stations are also planned.

The Community Recreation Center (CRC) will be a Sprung Performance Arena enclosing an Olympic size ice rink that will operate in the winter, and in the summer months, the Olympic size rink will be transformed into a fully programmable and multi-use 20,000 square foot RecZone, serving as the base camp for the expanding Parks and Recreation Department summer camps and programs, delivering all recreation, all the time!

Combined with community-driven and professionally branded programming, the new Community Recreation Center operated by the Parks and Recreation Department will be a game-changer for recreation in Mammoth Lakes

ANALYSIS:

1. Community Recreation Center (CRC) Construction Update

Construction activity has increased in recent weeks with multiple trades working concurrently on the site. The Mobility Hub is tracking to be substantially complete in October. Staff will work with the Contractor to prioritize completion of the new parking lot to minimize impacts to the inclusive playground and other areas around the construction site. Staff will reopen the playground as soon as it is safe to do so.

The contract for construction ends on January 9, 2022 and the current contractor schedule will exceed this deadline. The project is scheduled to be completed and the final Certificate of Occupancy is scheduled by the contractor for February. Staff is up to date on the progress and acknowledges the schedule is very dynamic and subject to external influences and conditions. Staff and the Contractor meet weekly to review a three-week outlook and schedule and we are onsite daily to answer questions and facilitate communication where appropriate; however, the Contractor has complete control over the schedule and providing direction to all parties working on the job site.

The schedule may be affected by the Town's request to add additional scope to the project. The Town has dedicated additional financial resources to the project to construct bleachers, office, retail, and concession space. Staff and the Contractor are currently discussing scope, budget, and schedule for these elements. Staff provides weekly updates to the public on the project including narratives, photos, and schedule updates via email and Facebook (#crcupdates). If these additional elements result in an opening date beyond February 2023, staff will notify the public and our ice-skating community as soon as we have a firm date.

Because the CRC is scheduled to open well into the winter season, the Town will be re-opening the outdoor ice rink the day after Thanksgiving on Friday, November 25. As soon as the CRC is operational, the Town will transition recreation services to the CRC and scale down ice operations at the outdoor rink in preparation for a new 6-court pickleball facility, planned to open on Memorial Weekend, 2023. This will ensure that our community of ice skaters, figure skaters and curlers, and our many winter visitors looking to skate outdoors under lights, along with our expanding local youth/adult hockey programs can play hockey, and host regional tournaments/development camps this winter. The 2022/23 season schedule is posted on www.Mammothicerink.com.

2. Agreements with the Los Angeles Kings Hockey Club, L.P., and JV Ice PV, LLC.

The Town of Mammoth Lakes, Mammoth Lakes Tourism, and Mammoth Lakes Recreation have been engaged in conversations with the Los Angeles Kings since 2017, with the goal of establishing a valued, long-term, mutually beneficial partnership. After the culmination of several meetings and numerous facility tours, these efforts have resulted in a proposed multi-year partnership agreement that will leverage the LA Kings brand in Mammoth Lakes, provide specialized ice rink services to enhance the operational efficiency of the Facility, and bring professionally branded year-round programs, events, tournaments, and activities to the region.

The proposed partnership agreements align with the intent of the Parks and Recreation Department Sponsorship Policy and because the contract for professional services with JV Ice PV, LLC is under \$50,000, it may be executed by the Town Manager. The intent of staff is to provide Council with a detailed overview of the content, context, and desired outcomes of the partnership Agreements.

The essence of the partnership includes: (i) Mammoth Lakes Tourism contracting with the Los Angeles Kings Hockey Club, L.P. (LAK), for certain sponsorship benefits at LA Kings home games at the Crypto.com arena, (ii) the Town contracting with JV Ice LV, LLC for consultant services at the Facility (ice rink), and (iii) the LA Kings making a donation to Mammoth Lakes Recreation (MLR) for the duration of the sponsorship term for certain branding recognition and usage rights at the Facility. It should be noted that the branding/naming recognition outlined in the Facility Branding and Use Agreement is specifically for the ice rink (Facility), not the entire Community Recreation Center (CRC).

This all-inclusive cooperative project to partner with a two-time Stanley Cup winning NHL Hockey Franchise in our core market of Los Angeles represents a significant and game-changing milestone for the community of Mammoth Lakes. The breadth of this collaborative partnership demonstrates that the community can do great things by working together for a common purpose to realize significant community benefit. The intent of this partnership is to leverage the power and influence of the LA Kings to energize and infuse a lifelong love of hockey in youth, adults, and the young at heart, and to expand the love of skating and ice sports in our community.

The partnership also brings the largest independent owner/operator of ice rink facilities in the United States to Mammoth Lakes (American Sports Entertainment Company). The professional consultant will provide specialized expertise, offer technical capabilities, and bring valued experience programming year-round multi-sport centers and ice rinks.

The Town of Mammoth Lakes, Mammoth Lakes Tourism, and Mammoth Lakes Recreation multi-year partnership proposal with the Los Angeles Kings includes three components:

- A. Mammoth Lakes Tourism Corporate Sponsorship Agreement with the LA Kings
- B. Town of Mammoth Lakes Consultant Agreement with JV Ice PV, LLC for Facility operations
- C. LA Kings Facility Branding and Use Agreement with the Town of Mammoth Lakes
- includes LA Kings donation to Mammoth Lakes Recreation for the Facility

A. Mammoth Lakes Tourism Corporate Sponsorship Agreement with the LA Kings

The 3-year Corporate Sponsorship Agreement with the LA Kings has been executed by Mammoth Lakes Tourism. For the term of the agreement, Mammoth Lakes Tourism receives certain sponsorship benefits at LA Kings home games at the Crypto.com arena. The value of this Sponsorship Agreement is \$100,000 per year.

B. Facility Branding and Use Agreement

The 3-year Facility Branding and Use Agreement with the LA Kings provides certain branding recognition and usage rights at the Facility. The term of the Agreement is planned to commence on January 1, 2023 and continue through December 31, 2025. In consideration for the rights and benefits specified in the Agreement, the LA Kings will donate \$75,000 each year to Mammoth Lakes Recreation (MLR), payable in a lump sum at specified and agreed upon times. The Town would then invoice MLR for the donated funds that will be transferred to the Community Recreation Center (CRC) annual operating budget.

The proposed 3-year Agreement includes the naming of the Facility (ice rink) operating within the Community Recreation Center (CRC) as the “LA Kings Mammoth Lakes Ice Center.” Signage featuring the name of the Facility will be placed at locations at and around the CRC. Below is an example of the new name of the Facility (ice rink) and the placement of the sign on the outside of the CRC.



In addition to the interior/exterior signage of the “*LA Kings Mammoth Lakes Ice Center*,” the LA Kings logo will be placed at the center of the ice surface located in the Facility (ice rink). The design of the Center Ice Signage shall be similar to the example below.



Included in the Agreement is the right of the LA Kings to use the Facility (ice rink), subject to certain terms (Town and third-party entities have priority) for a discounted fee of twenty percent (20%) off the standard Facility (ice rink) use rates currently charged by the Town. And finally, the LA Kings will support efforts to use the Facility (ice rink) for LA Kings branded programming (e.g., Lil' Kings, LAK-branded youth and adult tournaments, development camps, high school hockey, and other similar events).

C. Consulting Agreement

The 3-year, Consultant Agreement with JV Ice PV, LLC (ASEC) provides year-round technical and operational consulting services for the Facility. The term begins when the Agreement is executed and ends on December 31, 2025, unless terminated earlier in accordance with the terms and conditions set forth in the Agreement. JV Ice PV, LLC is an LA Kings Partner experienced in the design, development, construction, management, operation, programming and supervision of ice skating and sports properties similar to the Facility.

The Agreement includes three phases of services provided by the Consultant. They are as follows:

- Phase 1: Construction and Program Development
- Phase 2: First Partial Year of Operations
- Phase 3: Second and Third Full Year of Operations

Services are specified in detail in the Agreement, however, some of the deliverables include:

- Development of annual operating plans, guest service standards, and financial projections for the Facility
- Recruitment and training of Facility staff, utilizing JV Ice experience for ice and summer operations
- Identification and development of year-round Facility programming, in particular LA Kings and LA Galaxy branded programs
- Provide the Town with expertise to assist in negotiations of customer and service contracts, including but not limited to, special events, youth, junior and adult hockey programs, figure skating and curling clubs, concessions, equipment vendors (winter/summer), and LA Kings sponsors and supporters.
- During the first year the Facility is open to the public, perform one pre-opening and one semi-annual on-site inspection of the Facility and provide recommendations to enhance the operational efficiency of the Facility (staffing, planning, budgeting, general operations, ice maintenance, etc.).

The Town will pay the Consultant \$50,000 each year for the term of the agreement. The addition and growth of specific LA Kings and other affiliated programs is anticipated to generate greater usage of the Facility (ice rink) and net the Town \$25,000 of annual operational funds. The Town, working with Mammoth Lakes Tourism and Mammoth Lakes Recreation, believe the opportunity to leverage funding, professionally branded programming, and consultant expertise by partnering with the LA Kings will add substantial value to the community, our many visitors and the new CRC.

FINANCIAL CONSIDERATIONS:

The majority of funding for the 3-year Mammoth Lakes Tourism Corporate Sponsorship Agreement with the LA Kings was derived from Town Council Resolution No. 18-13. On March 7, 2018, Town Council authorized funding of \$675,000 to Mammoth Lakes Tourism to be used exclusively for supporting a sponsorship program with the LA Kings. These funds were derived from Transient Occupancy Tax (TOT) revenues that exceeded the Town's FY 2018/19 budget. Funding for the 3-year, Consultant Agreement with JV Ice PV, LLC for the Facility (ice rink) is currently budgeted in the FY 2022/23 Community Recreation Center (CRC) expenditures (858-436). In addition, these contractual services are planned to be allocated in the FY 2023/24 and FY 2024/25 CRC budget. Additionally, this suite of agreements will net the Town \$25,000 per year which will be used as operating funds for the CRC.

STAFFING CONSIDERATION:

Staff requirements to manage the LA Kings Facility Branding and Use Agreement and the relationship with the consultant JV Ice PV LLC., are incorporated in the annual Parks and Recreation Department financial budget, work program, and planned staff recruitments.

ENVIRONMENTAL CONSIDERATION:

On May 17, 2017, the Town Council certified the Final Environmental Impact Report (SCH#2016062009) for the Multi-Use Facility. All work proposed will be consistent with the mitigation and monitoring requirements of this document and no further environmental analysis is required.

LEGAL CONSIDERATION:

The Agreements have been reviewed by the Town Attorney; however, the Agreements have not been finalized by the respective entities and as such, were not included in this staff report. In lieu of the actual agreements, it was the intention of staff to provide Council with a detailed overview of the content, context, and desired outcomes of the partnership Agreements.