

ROWRPD BOARD AGENDA

**REGULAR MEETING
October 24th, 2022**

ACTION ITEM #1

TO: Board of Directors

PRESENTED BY: Jenny Hueter, General Manager

SUBJECT: Lease Agreement with George Goodwin Family LP

GOAL: Authorize the General Manager to move forward with the guidance of the Park Districts legal counsel to construct a lease agreement with George Goodwin Family LP

CONSIDERATIONS:

Please consider the following:

- A quality recreation center is an asset to our community
- This center will be a hub of activity for youth, families, senior citizens, civic organizations, athletic departments, and more
- It will foster community pride and bring people together. It can also provide opportunities for interaction, inclusivity, and community learning
- Creating this recreation center can be the piece that makes Rim of the World Recreation and Park District whole. It will provide a place where devoted coaches, teachers, trainers, and staff members can create an environment of growth and learning for children and adults

RECOMMENDATION: That the Board authorize the General Manager to move forward with the lease agreement with the George Goodwin Family LP

ACTION: Approve the Letter of Intent with George Goodwin Family LP and direct the Park District General Manager to negotiate, with the guidance of the Park District's legal counsel, and enter into a final written lease agreement. Motion by _____
2nd _____

As a Recreation and Park District we should be the driving force – the mountain's role model, that motivates an active lifestyle for all residents in our community.

Through a dedicated facility that provides athletic and sports training for youth and adults, fitness, and health programs, we will have the opportunity to help our community grow stronger and support the next generation of goal setters!



RIMREC Athletic Training Center & Gym

A multi-faceted, multipurpose community enhancement center; which will positively affect our mountain's youth, families, and their effort to advance their athletic and fitness goals.

Gym Research

GYMS



Gyms make about **\$517** per gym membership each year, according to Wellness Creative Co.'s [2021 Fitness Industry Statistics Report](#).

The average gym membership cost in 2021 is **\$37-71** per month, according to RunRepeat.

About **1 in 4** Americans went to a gym, exercise club or fitness studio in 2019, according to the [IHSA](#).



MEMBERSHIP



49.9%
of people go to the gym at least twice per week

50% of gym users say that location is the main reason why they keep their membership.

38%
say they keep their membership because of equipment

Gym Research





Provide youth a competitive edge when it comes to tryouts and making the team!

◇ <https://www.facebook.com/reel/417890793840813>
Little League Baseball Catchers Training Clip

◇ <https://www.facebook.com/reel/955206952013658>
Glove Work for Baseball or Softball Training Clip

- Local families currently travel down the hill for sports opportunities and sports training for their kids
- The turf space in the facility alone will allow players/teams to work on the mechanics of their training and be used for a variety of programs and purposes
- All year-round training provides youth the opportunity to hone their skills on the off season
- Center will provide a place where young athletes can learn more about sports and physical fitness
- MPH Lacks Sports programs



Indoor Batting Cage



◇ <https://www.facebook.com/reel/1227385524681144>

The RIM OF THE WORLD REC CENTER will have an indoor batting cage available for private batting practice/lessons to be done with their Coach or a RIMREC skilled Recreation/sports training staff member

◇ <https://www.facebook.com/reel/381271484157228>

Sample of indoor batting cage area that can be used for multiple training exercises for baseball, softball, soccer, football, tennis, etc.

◇

Teams will come to train at this facility local and from down the hill!

◇ <https://www.facebook.com/100057186230702/videos/pcb.528419849074218/4989080511197913>

High School Girls Soccer Agility Training Clip

<https://www.facebook.com/OvertimeAthletes/videos/600561491300778>

Sample of Agility Training Indoors with a variety of exercises for all different levels – sports teams, or other groups seeking higher altitude training can visit our indoor training center ALL YEAR AROUND

◇ <https://www.facebook.com/reel/823219242184203>

Sample of Catching exercise on multi-use turf that will be installed in the training center

◇ <https://www.facebook.com/reel/1711227529231600>

Sample of pitching exercise on moveable practice mound





Membership Packages for all!

<https://fb.watch/geNZ3LEqJp/>

multi-use space and equipment at the new center and with our existing facilities (gymnasium at LGECC) we would be able to offer special membership packages for different sports, different training routines, teams, individuals, and exercises routines, for different age groups. The use is endless.



ANNOUNCING!!!

PEE WEE ELITE

AGES 5 - 3RD GRADE

The perfect way
to start your
youngest athlete out
strong!

Tuesday and
Thursday afternoons
at 3 pm and 3:30 pm



Specialty Programs, Training, and Activity Space

Rate Sheet

RIMREC Athletic Training Center & Gym				
One Day Memberships	Basic Membership	Platinum Membership	Cage Membership	Student Membership
<p>\$15 / day</p> <p>Access to gym weights, cardio equipment, and turf space.</p>	<p>\$55 / mo.</p> <p>Access to gym weights, cardio equipment, turf space, and essential facilities.</p>	<p>\$85 / mo.</p> <p>Full gym access to weights, cardio equipment, turf space, cages, basketball court, personal trainer, health consultations, all fitness classes, and essential facilities.</p>	<p>\$65 / mo.</p> <p>Individuals or teams can exclusively access batting cages each month.</p> <p>With personal coaches or recreational staff, we offer two full cages to enhance hitting or pitching for players of all ages.</p>	<p>\$30 / mo.</p> <p>Local high school or college students can get a discount rate and have access to gym weights, cardio equipment, and turf space.</p>
Youth Development Training	Drop-in Classes	Party/Activity Center Rental	Hourly Cage Use	Team Pass
<p>\$100</p> <p>Any Sport, any athlete. We have experienced trainers to elevate your player to the next level.</p> <p>From speed and agility to weight training, or fundamental development to a specific sport, we will build the confidence of any athlete and help them achieve their goals.</p>	<p>\$20</p> <p>We plan to offer an array of health and fitness classes. If one piques your interest, drop in 1 time, and give it a go. You may want more!</p>	<p>\$500</p> <p>With our space the options are endless.</p> <p>Cornhole, bounce, climb, hop, jump, hit, throw, you need it? We can help you make it happen.</p>	<p>\$30 /hr.</p> <p>Need a quick-hitting session? We got you covered. Teams or individuals can drop in for our hourly rate for some batting practice.</p>	<p>\$125</p> <p>Whatever the season of sport, any team, of any age can access our facility to get the best training to give themselves an advantage when it comes to competition.</p>

Park District Mission Points for entering a lease with George Goodwin Family, LP (GGFLP):

- Provide a building/facility that is under the sole management of the Park District, always occupied with activities and staff, has a dedicated purpose under our mission, and does not sit empty while waiting for the next renter or Park District Program to start
- Entering a lease with GGFLP is important to the Rec and Park District, as a means of fulfilling our mission to provide recreational services to the community on an ongoing basis, not per season
- This lease and business venture will help expand our revenue stream (net of expenses, of course) to offset the decline of the current-dollar value of our apportionment taxes, which are not adjusted for inflation (registration income for RIMREC Training Center & Gym Memberships)
- Entering a lease with GGFLP will also prove to the public and especially the Crestline community our investment intentions (we still don't have a park or facility of our own in Crestline)
- The lease also gives a sample of our innovative thinking and plans or suggestions we will consider for the future—collaborative partnerships – quality programming – modern facilities, etc.
- Entering this lease allows the Park District management and staff to grow with a business mindset by creating jobs, improving image, and expanding our recreational programs to fit the needs of different level athletes and fitness enthusiasts in order to help them reach their goals.

Revenue	Price	QTY	Amount
One Day Memberships	\$15	30	\$450
Basic Membership	\$55	100	\$5,500
Platinum Membership	\$85	50	\$4,250
Cage Membership	\$65	20	\$1,300
Youth Development Training	\$100	25	\$2,500
Student Memberships	\$30	30	\$900
Classes One Time	\$20	15	\$300
Party Activity Center			\$500
Team Pass	\$125	5	\$625
Hourly Cage Use	\$30	10	\$300
Independent Instructors			\$350
Juice Bar			\$700
Merchandise			\$1,500
Total Gross Profit			\$19,175

Operating Expense		
Rent	\$8,000	(After 18 months)
Triple Net	\$1,000	
Supplies	\$500	
Utilities	\$1,500	
Insurance	\$200	
Operating System Expense	\$250	
Internet IT Expense	\$250	
Juice Bar	\$400	
Merchandise	\$800	
Miscellaneous Expense	\$500	
Total Operating Expenses	\$13,400	

Rim of the World Recreation and Park District
Attn:
P. O. Box 8
26577 State Highway 18
Rimforest, California 92378

Re: 23919 Lake Drive, Crestline

Dear :

Thank you for your interest in leasing the commercial space at 23919 Lake Drive, Crestline, California 92325 (the "Property"). This Letter of Intent ("LOI") is meant to serve as a basis for negotiating a final written lease agreement ("Agreement"), which we will prepare, and which will contain material terms not set forth in this LOI.

This LOI is not intended as, and does not constitute, a binding agreement by either party, nor does it constitute an agreement to enter into a binding agreement. This LOI is merely intended to specify some of the proposed terms and conditions of the transaction contemplated by the Parties. Neither Party shall have any legal obligations to the other unless and until all of the terms and conditions are negotiated, agreed to, and set forth in a written agreement, which has been signed and delivered by the Parties.

1. Landlord: George Goodwin Family LP ("Landlord")
2. Tenant: Rim of the World Recreation and Park District ("Tenant")
3. The Property: 23919 Lake Drive, Crestline, California, 92325
4. Lease Commencement Date: November 1, 2022
5. Lease Term: November 1, 2022 – October 31, 2027
6. Premises: Approx. 9000 SF; Tenant to confirm size of Premises
7. Monthly Rent: \$8,000, due on the 1st of each month; 5% late fees automatically assessed for payments received after the 5th day of the month
8. Security Deposit: \$10,000 due upon execution of the Agreement
9. Rent Abatement: After the Parties execute the Agreement, Tenant shall have up to six months for the issuance of permits. Upon issuance of permits or at the end of six months, whichever is first, Tenant shall pay zero rent for the next six months. Then, Tenant shall pay rent at 50% of the Monthly Rent for the next six months. Then, Tenant shall pay rent at 75% of the Monthly Rent for the next six months. Then, Tenant shall pay full rent for the remainder of the Term.
10. Termination Option: None

11. Renewal Option: One five-year option; Monthly Rent to increase by 10% at the beginning of year six and an additional 5% increase at the beginning of year eight
12. Proposed Use of the Premises: Tenant intends to use the Premises as a gym. Tenant will be responsible for obtaining any applicable permits or approvals from Fire, Environmental Health, Planning, Building and Safety, and any other governmental entity before the facility may be opened for public use. Tenant will not use the facility for any purpose other than the proposed, permitted use, without the prior written approval of the Landlord.
13. Improvements: Landlord will only pay for improvements or modifications required by the County to the exterior of the building and the parking lot for compliance with the Americans with Disabilities Act (“ADA”), County Building and Safety, or other County Code requirements. Tenant will be 100% responsible for all improvements inside the building, including improvements necessary to comply with the ADA and any other Federal, State or County regulations.
14. Utilities, Services, and Equipment: Tenant shall be 100% responsible for electric, gas, water, sewer, telephone, and internet.
15. Landlord’s Maintenance: Landlord is responsible for maintenance of the exterior of the building, the roof, and the parking lot, including snow and ice removal, but excluding the exterior surfaces of doors and windows. Landlord is responsible for ensuring ADA compliance for access outside of the building, unless Tenant has added external signage or made other modifications that interferes with ADA access.
16. Tenant’s Maintenance: Tenant is responsible for maintenance of the interior of the building, including the exterior surfaces of doors and windows. Tenant is responsible for snow and ice removal on the walkways in the immediate vicinity of the entrance to the building.
17. Parking: Tenant will be assigned a certain number of parking spaces as determined by the San Bernardino County Planning Department. Tenant will not hold any special events that could require additional parking unless approved by the Landlord.
18. Miscellaneous: Tenant must obtain Landlord’s prior written consent to sublease. Tenant will require Landlord’s prior written consent to place anything on the roof or to alter any construction on the roof. Tenant must obtain Landlord’s prior written permission to make any alterations to the interior of the building that may affect drywall, electrical, water, sewer, gas lines, HVAC, windows, doors or any Landlord owned property inside the building. Tenant must not take any actions

that may affect the Crestline Café or the United States Post Office without written consent from the Landlord.

If you are agreeable to the aforementioned terms, please sign and return a duplicate copy of this Letter of Intent by no later than October ____, 2022.

Landlord Signature: _____ **Date:** _____

Print Name: _____ for George Goodwin Family, LP

Tenant Signature: _____ **Date:** _____

Print Name: _____ for Rim of the World Recreation and
Park District