



MONTGOMERY COUNTY DEPARTMENT OF PARKS
THE MARYLAND - NATIONAL CAPITAL PARK AND PLANNING COMMISSION

MCPB Item # _____

Date: October 3, 2019

MEMORANDUM

DATE: September 3, 2019

TO: Montgomery County Planning Board

VIA: Michael F. Riley, Director of Parks *MR*
Miti Figueredo, Deputy Director, Administration *JN*
John Nissel, Deputy Director, Operations
Andy Frank, Division Chief, Park Development Division (PDD) *Andy Frank*

FROM: David Tobin, Manager, Public-Private Partnerships, PDD
Brenda Sandberg, Real Estate Management Supervisor, PDD

SUBJECT: I. Jack Schore Tennis/Tennisplex Phase II Approval
II. Approval of Extension of Jack Schore Tennis use of Park property beyond the original 20-year term lease

STAFF RECOMMENDATIONS

- I. **Approve Jack Shore Tennis Phase II concept plan with conditions.**
- II. **Approve Extension of Jack Schore Tennis use of Park property beyond the original 20-year term lease with conditions and seek approval of same from Montgomery County Council.**

Summary

In 2010, the Planning Board approved the selection of Jack Schore Tennis (JST) to establish a public/private partnership to develop, manage, and maintain at no cost to the Commission a tennis sports complex in South Germantown Recreational Park. Since that time, JST completed Phase I construction of the facility at a cost to JST of \$3.7 million. JST (aka Tennisplex) has proven to be of significant public benefit (for both Montgomery and Frederick County residents); an asset to the Commission, and has been recognized as having a major impact on tennis in the United States.

The 2010 approval and subsequent Lease and Development Agreement included two phases of JST development. Phase I consisted of two bubble structures, four outdoor courts, a clubhouse, and parking. At the same time, JST was granted a 20-year lease for the period commencing May 2012.

This Planning Board item is for Phase II development (including a third bubble and expanded parking) recommends your approval of Phase II as reviewed by Park staff ("Phase II Approval") and an extension

of the lease for 20 years commencing with the completion of Phase II construction. Parks staff have worked constructively with JST and recommend approval of both with certain conditions as included herein.

Background

A Request for Proposals (RFP) No. P28-114, to develop the South Germantown Recreational Park site in South Germantown, was issued on February 1, 2008, pursuant to the Planning Board's request to establish a public-private partnership to develop, manage, and maintain at no cost to the Commission a tennis sports complex in South Germantown Recreational Park.

- To create an opportunity to fulfill a recognized public need and demand for an indoor/outdoor recreational facility at the subject site without the use of taxpayer funding for the project;
- Determine whether joint, public/private development for a new indoor/outdoor recreational facility at South Germantown Recreational Park is a superior method to service the park, recreation, and open space needs of County citizens;
- Obtain a Park development program and concept that satisfies the Park, Recreation, and Open Space Strategic Plan needs as articulated in the 2005 Land Preservation, Parks, and Recreation Plan;
- Realize better citizen access to park, recreation, and open space assets through better facilities and programs, more efficient management, more effective marketing, lower user fees, or a revenue flow to the Commission; and
- Select a Development Partner and a joint development arrangement that will privately fund 100% of the proposed facility.

Since approval of this partnership in 2010 and implementation of Phase I, Jack Schore Tennis has proven to be of great public benefit and an asset to the Commission. In an article in the Summer 2018 issue of Mid-Atlantic Match Point entitled "THE PLEX...Changing the Tennis Landscape," Martin Blackman, head of USTA Player Development, said "The Montgomery TennisPlex has, under the direction of Jack Schore, produced high caliber programming that helps strengthen both grassroots and high-performance tennis not only throughout the Mid-Atlantic region, but the United States as well." JST founder Jack Shore stated "When we first planned the TennisPlex it was my dream to create a facility which would have a major impact on tennis in the United States and, more importantly, a major impact on the lives of Montgomery and Frederick County residents. We were fortunate enough to be located in the number one diverse community in the country and to partner with M-NCPPC at South Germantown Recreational Park."

In addition to benefits to the tennis community, the partnership with JST adds measurably to the many Park amenities of South Germantown Recreational Park, including Soccerplex, the King Farm Dairy Mooseum, the Recreation Department's swim center, and the Miracle Field.

JST pays rent to the Commission (Enterprise Fund) and contributes to cover maintenance costs borne by the Department through a Common Area Maintenance Fee (CAM). In addition, JST contributes to a Life Cycle Replacement Fund to ensure the future upkeep of their facilities. The rent paid to the Enterprise Fund provides a significant revenue stream that is used to support other park facilities and

programming. Finally, the Lease and Development Agreement states that the JST facilities are the property of the Commission and, in the unlikely event that JST ceases to operate, the facilities would be transferred to the Parks Department for operation.

South Germantown Recreational Park



Jack Shore Tennis Phase I complete (red outlines leased premises)



The 2010 Board approval of JST included the following elements:

- 1) 20-year lease of park property of approximately 9 acres in the northwest quadrant of Central Park Circle and Germantown Park Drive intersection.
- 2) Phase I development consisting of 2 "bubble" structures, one bank of 4 new outdoor hard courts with lights, a 1600 sq. ft. clubhouse, and parking.

It also anticipated Phase II development consisting of:

- a) One additional "bubble" structure, covering 4 indoor tennis courts.
- b) Two additional lit outdoor hard courts.
- c) Parking expansion.

JST constructed all Phase I elements as described above and commenced operations in May 2012. According to JST, the overall design and construction costs associated with Phase I totaled \$3,729,500. Estimated costs for Phase II range from \$1.5 to \$1.7 million.

Current Planning Board Action:

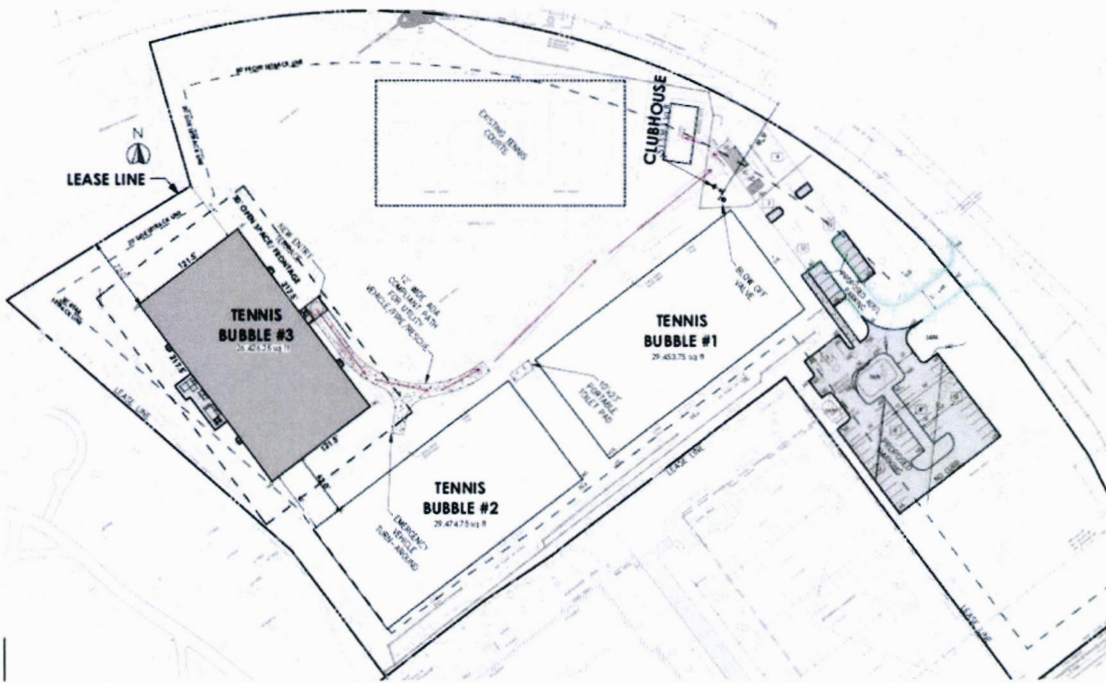
I. Jack Schore Tennis/Tennisplex Phase II Approval

According to JST leadership, the expansion that is Phase II will allow 18 and under players more play time; coaching staff more private lesson time; the community more court time; and will enable JST to run USTA sanctioned tournaments.

The 2019 Phase II application slightly modifies the original 2010 concept, and includes the following elements:

- a) One additional "bubble" structure, covering four indoor tennis courts, heated and cooled. Same as previous approval except the location is moved to the rear of the lease area at the request of Parks staff, in order to reduce the visual impact of a large white bubble abutting Central Park Circle drive.
- b) Two additional lit outdoor hard courts are no longer proposed.
- c) New pedestrian / emergency vehicle access to new bubble and additional utility and equipment infrastructure will be provided.
- d) Parking expansion of 38 spaces to a total of total 80 parking spaces from the current 42 spaces. The new Phase II parking lot will be adjacent to the existing lot, utilizing the existing Central Park Circle entrance, and will include a connection to the Swim Center parking lot for improved overall parking management at SGRP.

JST Phase II Proposed (shaded)



Park and Budget Impacts

Development of Phase II is not expected to significantly impact South Germantown Recreational Park. However, anticipated increased activity at JST will marginally impact an already taxed Park infrastructure. Overall it is anticipated that growth of JST will be accommodated without directly impacting other facilities and usage in the park.

Budget impacts consist for the most part of increased maintenance costs which will be recovered through increased common area maintenance (CAM) fees through the updated lease.

Community Outreach/Public Notice

Extensive public outreach, including outreach to the Northern Area Recreation Board and Montgomery County Department of Recreation in 2009, generated unanimous support for both Phases I and II in the original proposal. As a result, outreach for Phase II was limited to Northern Region/SGRP and other public-private partners and agencies operating in SGRP that would be potentially impacted by Phase II. No concerns were communicated.

Approval I Conditions

Obtain Park Construction Permit including but not limited to:

1. Construct in first class manner
2. Address Montgomery Parks requirements during Park's Technical Review
3. Meet conditions of the Park Construction Permit including responsibility to obtain and closeout all regulatory permits.

II. Approval of Extension of Jack Schore Tennis use of Park property beyond the original 20-year term lease

The existing lease between M-NCPPC and JST is in year 7 of the original 20-year term. JST desires to build Phase II and obtain certain guarantees of the use of the Park property for an additional 20 years beyond the original term to secure financing integral to sustaining operations.

As a result of the negotiations for the Phase II lease, terms and conditions were agreed to and memorialized in a Binding Term Sheet executed on January 28, 2019 and include a new 20-year term if Phase II is delivered complete. The term of the new Lease will result in JST's use of Parks property extending beyond a 20-year period, which creates a required approval of the new Phase II Lease by Montgomery County Council ("the Council") via legislative enactment. Maryland Code, Ann., Land Use Article, §17-204(a)(2)(i) requires Parks to obtain Council authorization before entering any lease allowing use of Parks property for a period greater than 20 years. If approved, the new Lease will commence upon receipt of a Use and Occupancy Certificate and Final Building Permits from Montgomery County Department of Permitting Services and will expire April 30, 2052.

Staff seeks the Planning Board's authorization to submit for Council approval the proposed JST lease extension for an additional 20 years under a new Phase II lease.

Approval II Condition

JST shall deliver a completed Phase II project, including the receipt of a Use and Occupancy Certificate and Finaled Building Permits from Montgomery County Department of Permitting Services.

cc:

Doug Ludwig, Division Chief, Northern Region

Neal Hollingshead, Park Manager, SGRP

Jai Cole, Division Chief, Park Planning and Stewardship

Eileen Emmet, Technical Review Lead, Park Development

Jim Poore, Division Chief, Facilities Management

Michelle Grace, Asst. Division Chief, Facilities Management