

City Clerk
Terry Schulte

TO: City Council

FROM: Scot F. Lahrmer, City Manager

RE: Joint Use and Operation Agreement for the Mason Community Center

DATE: March 5, 2003

This document is missing some exhibits which do not alter the content of the agreement. Exhibits will be forwarded after revisions are made.

On February 24, 2002 Council approved Ordinance 2003-24, which authorized me to enter into an agreement with Mason City Schools for joint use and operation of the Mason Community Center as long as the agreement was substantially in compliance with what was presented to Council. Negotiations continued throughout the week with changes being made that benefited the City. On Friday, February 28 at 3:00 p.m., the City and Mason City Schools formally entered into the joint use and operation agreement for the Mason Community Center. The final agreement is attached for your convenience. If after reviewing the document, you do not want to keep it, please return it to me as it is extremely expensive to reproduce these documents and the City will need them for several years. The following summarizes many of the critical components of this agreement:

1. Instead of relying on the inside millage to fund the Community Center, the Schools and City agree to financially contribute to the Community Center based on the actual usage of the Center, including the shared areas. Recognizing that it may take several years to build the pass holders to an on-going stable level and/or raise fees to a higher level, the Schools proposed to contribute \$2.2 million over a 3-year period while the City would contribute \$1.7 million. If actual expenses are less than these annual contributions, the balance of contributions will remain in a reserve fund.
2. The High School shall always be named, on its exterior, only the "Mason High School and the Community Center shall always be named, on its exterior, only the "Mason Community Center". The School District shall be the owner of all rights to name the interior portions of the High School and shall be entitled to retain all revenues earned in connection with those naming rights. The City shall be the owner of all rights to name the interior portions of the Community Center and shall be entitled to retain all revenues earned in connection with those naming rights. The School District and the City shall share the naming rights to the interior portions of the Interior Shared Areas, provided that the School District and City must mutually agree upon any interior names within the Interior Shared Areas and shall share all revenues generated from such that the High School shall receive fifty (50%) percent of such revenues and the Community Center Fund shall receive fifty (50%) percent of such revenues.
3. The annual family pass holder fees will increase a minimum of \$50 per year until the Community Center breaks even. All other fees will be increased in at least the same

percentage each year.

4. Both parties agree to set aside 5% of the contributions listed above as a contingency fund to pay any deficits in the Basic Building Services Fund. After the contingency fund has been depleted, any deficits are funded based on valuation of the school district compared to the City.
5. Capital repairs will be borne by Mason Schools through 2005. Beginning in 2006, capital repair costs will be shared based on the annual percentage use by either the Schools or City.
6. The City retains ownership of the land where Mason High School and Mason Community Center are located.
7. The City will assume responsibility for scheduling of the Community Center including the shared areas.

The Community Center grand opening was held on Saturday, March 1 with an estimated 7,000 visitors. On Saturday, passes were sold generating over \$23,500 in revenues. The Center officially opened for business on Sunday March 2. During the first five days of March, we have taken in a total of \$216,941 in revenues. This includes revenues related to passes, admissions and programs.

If you have any questions, please let me know.