

# Agreement Terms With Point Loma Trust For Operation of the Chula Vista Elite Athlete Training Center

# Agreement

- PLT shall have exclusive right and duty to operate and maintain the Chula Vista Elite Athlete Training Center consistent with this agreement; City's Core Agreement with USOC; and the initial CVTC Business Plan
- PLT will be required to comply with all laws; maintain adequate and effective workforce; maintain facilities and equipment per agreed standards; maintain records and accounting systems; and, propose and comply with annual budget

# Terms

- Commencing January 1, 2017, PLT will have the right and obligation to operate for a period of up to 10 years (includes an 8 year initial term and a 2 year extension)
- Extension terms may include an additional 10 years
- PLT may initiate early termination in the event of substantial operating deficits after 4 years

# Business Plan

## □ PLT shall prepare a draft Business Plan to include

- Mission/vision statement
- Transition plan
- Targeted mix of users
- Marketing summary
- Rate setting and structure
- Principles for budget and reserves
- Community outreach
- Special event plan
- Staffing
- Retail store
- Identifying funding
- Plan for identifying potential business opportunities

# Staffing/Oversight

- PLT shall have the right and responsibility to hire/manage and terminate employees
- PLT to confer with City Manager (or designee) on identifying key existing CVTC employees
- City will have a Coordinator/Liaison to be responsible for City's obligations and be PLT point of contact
- Facility Operations Advisory Committee will include USOC, Easton, PLT, City and CVTC coaches and athletes

# Revenues/Compensation

- CVTC revenues generated by PLT's operations shall go to CVTC operations and maintenance consistent with terms of Business Plan and Budget
- PLT shall be entitled to a fee equal to the greater of \$300,000 or a percentage of gross revenues to be paid out of CVTC revenues. (still negotiating final terms)
- City receives revenues from City sponsored/co-sponsored events (to be defined)

# Surplus Revenues/Compensation

- Surplus revenues are being negotiated and finalized
- Funds shall be dedicated toward CVTC Special Projects, paid to PLT as an additional fee for PLT services under Agreement and some portion dedicated by PLT toward enhancing or adding to existing PLT projects or programs benefitting Chula Vista residents or students. (Currently proposed 80%/ 10%/10% with shift to 70%, 10%, 20% after 5 years)

# Operational Losses

- PLT shall be responsible for payment of all losses resulting from operation except to extent that such losses are caused by costs allocated to City under the Agreement
- Any operator losses from each year plus interest shall be recovered by Operator from subsequent year's surplus revenues



# City Responsibilities

- City responsible for all costs to
  - ▣ Investigate and/or remediate any environmentally sensitive/hazardous materials
  - ▣ City's violation of obligations under the Core Agreement
  - ▣ Events hosted/sponsored by the City and agreed to by Operator
  - ▣ Costs not covered by USOC to change signage at CVTC
  - ▣ Any taxes or fees imposed on city directly
- PLT shall maintain records in accordance with GAAP, budget preparation and annual review

# City Reservation of Access/Events

- City Coordinator/Liaison may designate additional City staff/consultants to have access to the CVTC to assist with oversight and assessments
- PLT shall provide City a certain number of passes to special CVTC events based on City policy and approval, subject to reasonable restrictions

# Fundraising/Non-Profit

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- The parties shall meet and confer with intent of creating a separate non-profit to fundraise and otherwise support CVTC facilities and programs

# Security for Performance

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- PLT will provide adequate security for performance
- Insurance will be required of both parties

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