



INFORMATIONAL MEMORANDUM

TO: Community Services & Safety Committee

FROM: Rick Still, Parks & Recreation Director

BY: John Dunn, Recreation Superintendent

CC: Mayor Ekberg

DATE: January 27, 2020

SUBJECT: Sullivan Center Venue Manager Request for Proposal

ISSUE

A Request for Proposal (RFP) was sent out by the Tukwila Village Community Development Association (TVCDA). Tukwila Parks & Recreation (TPR) is considering responding to the request.

BACKGROUND

TPR responded to the original RFP in January 2019 but was not selected. At that time, this was the first attempt at a venue manager and TPR was interested in running the building and programming activities for the community at that site. The plan was to run the venue and offer programming during non-rented times to residents. The proposal was for TPR to manage the venue and cover costs of running the venue and the benefit to the city in this contract would be the free use of the space for recreation programming.

TPR was notified a new Venue Manager RFP was released December 1, 2019. TPR Staff attended an open house to ask questions and consider submitting a new proposal.

DISCUSSION

TPR staff have the software and expertise to manage facilities as they are already managing rentals on a larger scale for the Community Center and Shelter/Park facilities in the City of Tukwila. They also have a network of rental groups and contacts in the community that could benefit from the venue.

Using the policies and procedures of the City and TPR, the process and access would be equitable for all members of the Tukwila community. Providing recreational program opportunities in the community meet strategic plan goal #2.

Items to be considered prior to submitting a response to the RFP are listed below.

1. The building is divided and leased to 2 parties that also share some common space. The Venue manager will be contracted through the Lease holder of the rental space. The restaurant half is leased to a company that then subleases to 2 other businesses that share the space. It has been shared that the restaurant space is on a long-term lease and will not likely be open for combining with the venue side any time soon. There is concern on the maintenance of the common areas and responsibilities/funding of cleaning those areas.

2. There is no mop sink or ice machine in the rental side of the venue and staff, or rentals would have to go into the restaurant side to access both. The ice machine can be fixed easily with purchase of another ice machine. However, a mop sink is a fundamental need and major plumbing/construction would be needed to install one on the rental side. With this need, the

venue manager would be subjected to the possibility of complaints from the leaser or sublessors if there was an issue on the restaurant side whether it was related to the rental event or not.

3. Parking is still very limited, and a clear plan has yet to be determined by the property manager at this time. The limited parking could be an issue to book the venue for some renters. In some cases, the venue manager may need to plan for offsite parking options to accommodate renters (which could incur additional costs).

4. Additional part time staff would need to be hired by TPR to be on site to help manage events held at the Sullivan Center.

5. In the opinion of TPR rental staff, there is a need to purchase additional equipment in order to ensure the facility is operational for rental usage. This includes additional tables, chairs, window coverings and acoustic tiles (the acoustics of the space make it very hard for group discussions and presentations). There would need to be an outlay of money to offer the facility to potential rentals in a manner that is in line with how TPR would run a facility.

FINANCIAL IMPACT

The exact financial impact is not known at this time as the facility is still new and the growth of rentals will change the impact. Based on the timing of this proposal, and subsequent contract negotiations, a venue manager would likely not be in place and operational until mid-late summer or fall.

Using an ambitious goal of (5) 3-hour weekday and (2) 5-hour weekend rentals; The estimated annual expenses would be \$107,450. Rental fees would be collected to cover the expenditures plus an estimated annual surplus of \$41,390 (based on established rental rates). This surplus would then need to be shared (by method to be determined) with TVCDA.

On a low end of (2) 3-hour rentals and (1) 5-hour rental; annual expenses are estimated to be \$67,550 with rental fees covering the expenditures and providing a \$1,790 surplus to be shared for the year.

A breakdown of both these examples are included in Attachment B.

The Parks & Recreation budget would need to have an adjustment to account for this added expense in both the 2020 budget and the 2021-2022 budget if we are awarded the contract.

RECOMMENDATION

Staff are looking for direction from City Council whether to apply and request a budget amendment if awarded.

ATTACHMENTS

- A. RFP from TVCDA
- B. Potential response to the RFP by TPR

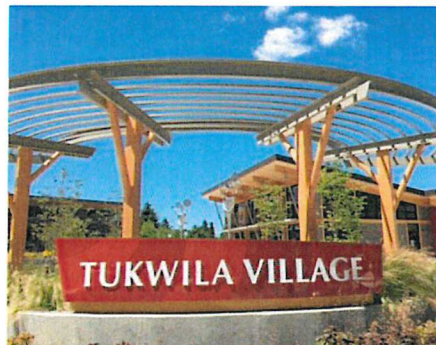
ATTACHMENT A

REQUEST FOR PROPOSAL

Sullivan Center Venue Management RFP

Released by:
Tukwila Village Community Development Association

Release Date: December 1, 2019
Due Date: February 4, 2020



Tukwila Village Community Development Association
14350 Tukwila International Boulevard, Tukwila, WA 98168
Contact: Benton Coblentz at benton.coblentz@tukwilawa.gov

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Summary

Key RFP Dates

Below are the intended dates for this RFP process. Actual timing will depend on a number of factors, including the number of applicants and type of applications received. The deadline will be February 4, 2020, but late submissions may be considered if they accord with TVCDA's schedule. If any of these dates are not tenable for your organization, feel free to contact TVCDA.

Request for Proposal Issued	Dec. 1, 2019
Open House @ Sullivan Center	Dec. 18, 2019 – 4:00 to 5:30 p.m.
Deadline for Receipt of Application	Feb. 4, 2020
Board Review	Feb. 19, 2020
Board Interviews (if necessary)	Mar. 18, 2020
Board Decision (tentative)	Apr. 15, 2020

The Board of Directors of the Tukwila Village Community Development Association (TVCDA) is inviting non-profits, for-profit businesses, and public agencies to submit proposals explaining their respective organization's interest, capacity, experience, and requirements to serve as venue manager for the newly constructed Sullivan Center at Tukwila Village.

*Please submit your proposal via email to Benton Coblenz **no later than Tuesday, February 4, 2020**. Feel free to contact Benton Coblenz at 206-433-1868 or benton.coblenz@tukwilawa.gov should you have any questions, if you would like to visit the site, or if you would like to receive comment on a draft of your application. If you are planning to apply, contact Benton Coblenz to receive updates or further information.*

Policy of Competition

TVCDA is committed to a full and open competition. We encourage any interested parties to apply.

TVCDA does not guarantee it will select any of the proposals submitted and will not compensate applicants for their proposals. Acceptance of a proposal does not imply the signing of a contract.

Section 1

Introduction

Tukwila Village Community Development Association (TVCDA) is looking for an entity to serve as venue manager for the Sullivan Center starting in mid-2020 with direction from the TVCDA Board.

Background Information

Tukwila Village is a new mixed-use development located at the intersection of South 144th Street and Tukwila International Boulevard. Upon completion, it will feature four buildings comprising 398 apartments for seniors and those with disabilities. Over half of the apartments will be dedicated to households with low to moderate incomes. Currently open at Tukwila Village: a new branch of the King County Library System, a restaurant space with fully equipped commercial kitchen, the Sullivan Center (community room with kitchen), and two affordable senior apartment buildings operated by Sustainable Housing for Ageless Generations (SHAG). The third and fourth apartment buildings will open in 2020 and 2021 and will include retail space and restaurant / food business incubation spaces, the latter spearheaded by partner non-profit Food Innovation Network.

Sullivan Center

The Sullivan Center, located in the heart of Tukwila Village, features:

- 1,800 square foot multi-purpose community room with direct access to the outdoor public plaza
- public plaza for outdoor events
- community kitchen with oven, stovetop, refrigerator, freezer, and ample counter space

The community room can accommodate up to 107 people seated at tables or 228 standing. It is named after James E. Sullivan, who served as President of the SHAG Board of Directors for over two decades and oversaw SHAG's growth to become a major provider of affordable, safe, and attractive senior housing in more than 25 communities from Bellingham to Olympia.

Within the Sullivan Center is an adjacent retail space that is not included within the scope of this RFP, as it is separately leased, owned, and operated. That space, however, is currently occupied by a coffee shop and represents a potential asset to the users of the Sullivan Center and the Tukwila Village community.

TVCDA Overview

The Tukwila Village Community Development Association (TVCDA) is a non-profit community development organization dedicated to improving the quality of life for the Tukwila community. TVCDA was formed by Tukwila Village Development Associates, SHAG, and the City of Tukwila. It was formed to oversee and develop programming for the Sullivan Center community

room, community kitchen, and surrounding plaza of the Sullivan Center, which is in the heart of Tukwila Village. TVCDA is led by a volunteer board of directors representing diverse sectors and groups within Tukwila and the adjacent community. The Board will ensure that TVCDA is successful, sustainable, and mission-focused. More information on Tukwila Village can be found at <https://www.tukwilawa.gov/departments/community-development/development-projects/tukwila-village/>.

TVCDA Mission

TVCDA's mission as defined in the Articles of Incorporation, is to improve the social welfare, including the physical, emotional, and economic health, of members of the public in the City of Tukwila and the residents of Tukwila Village by promoting arts, economic development, education, health, and community building.

In short, TVCDA'S mission is to *improve the quality of life for the Tukwila community*.

TVCDA Strategies

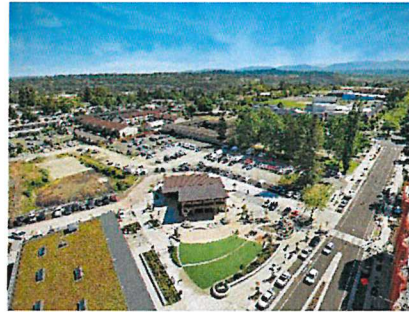
TVCDA will achieve its mission by providing opportunities for the Tukwila community, including residents of Tukwila Village and the City of Tukwila, to gather, celebrate, learn, and build relationships. Through intergenerational and multicultural activities promoting arts and culture, economic development, education, and healthy lifestyles, TVCDA will advance the physical, emotional, and economic well-being of the Tukwila community. TVCDA programs will be accessible to all Tukwila community members.

Sullivan Center Pictures

SULLIVAN CENTER (EXTERIOR)



SULLIVAN CENTER (PLAZA)



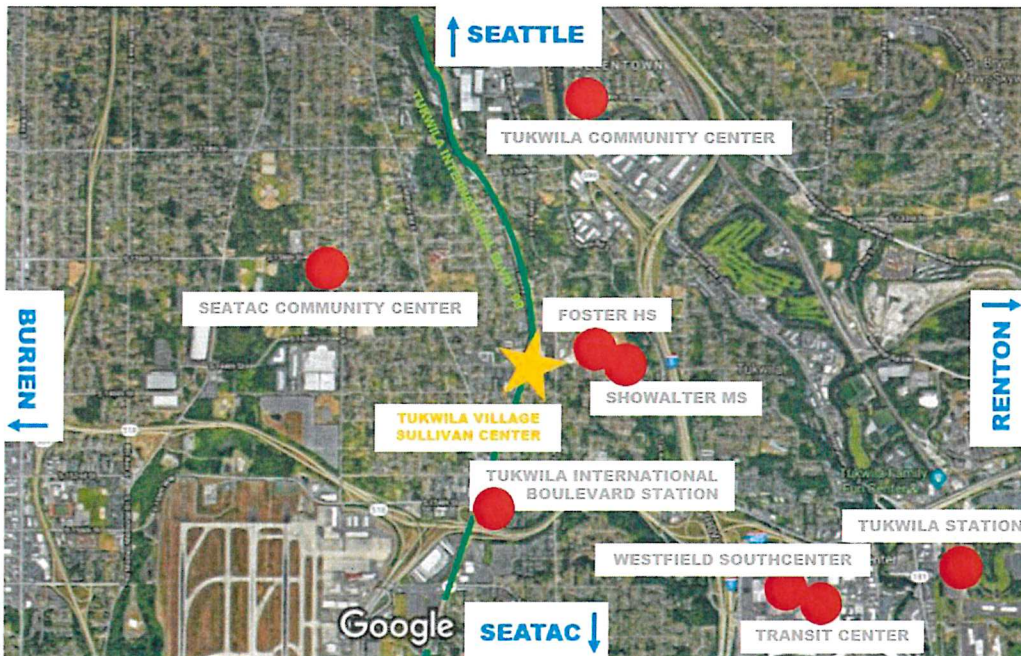
SULLIVAN CENTER (PLAZA)



SULLIVAN CENTER (INTERIOR)



TUKWILA VILLAGE AND SULLIVAN CENTER IN COMMUNITY CONTEXT



Section 2

Roles and Responsibilities

TVCDA shall

- agree to negotiate with the venue manager a set of policies and rental rates (*contact Benton Coblenz for a copy of the currently adopted version*) to guide the decision-making process for approving Sullivan Center reservation requests
- reserve the right to use the Sullivan Center, or approve another organization to use the Sullivan Center, for a limited number of hours per month at no cost

Venue Manager shall

- market the venue to attract users and rentals
- show the facilities to prospective users and renters
- maintain a schedule of approved and pending reservations
- manage rental agreements with users and renters
- collect rents and security deposits; refund deposits as appropriate
- open, monitor, and close venue for users and rentals
- be present and available during all events
- provide technical assistance to users and renters for operating lights, shades, microphones, and display screens
- clean and maintain the venue, including restrooms and outdoor plaza
- notify the Tukwila Library, SHAG, and Kona Kai Coffee when planning or accepting reservations for large events
- maintain general liability insurance

Section 3

Eligible Applicants

Organizations eligible to submit proposals may fall within any of the following categories:

- governmental agencies
- non-profit organizations
- for-profit businesses

This list is not exhaustive, and organizations not falling into the listed categories may still be eligible to apply.

Term

In your application, please describe your organization's minimum and preferred term for the venue management contract. The TVCDA Board is interested in creating an interim long-term agreement with another organization for Sullivan Center venue management for a period extending at least one year with an option to renew. The TVCDA Board envisions that this agreement would start in mid-2020.

Financial Terms

The financial terms for the arrangement between TVCDA and the venue manager are open to negotiation. TVCDA envisions the Sullivan Center as a space that can generate sufficient revenue from events and other uses to cover the costs of venue management and of running the facility (including utilities) and help fund TVCDA's operational and overhead expenses related to the Sullivan Center. Please outline your preferred terms in your application. An inexhaustive list of *sample* options for possible financial terms (which might or might not be acceptable to the Board):

- venue manager would pay TVCDA a fixed amount (e.g. **\$2,000**) per month for the right to manage the space, but keep all rental revenue
- after accounting for all the costs of venue management, a share (e.g. **50%**) of surplus revenue would be shared with TVCDA
- TVCDA would pay the venue manager a fixed amount (e.g. **\$1,500**) per month to cover overhead costs and receive a share (e.g. **50%**) of all revenue
- venue manager would remit **100%** of rental revenue to TVCDA, but reserve the right to use all or a portion of the space for itself for a set period each month for free

These are an inexhaustive list of sample options for the possible financial terms TVCDA would consider. The sample amounts such as those in **green** above are examples only, and the applicant is responsible for justifying the specific financial terms in their proposal.

Section 4

Application Instructions

Please explain how your organization can fulfill the venue management needs identified above. Make sure to discuss following:

- type of experience your organization has in facilities management
- your organization's administrative and technical capacity
- what scheduling software would you use
- your organization's plan and staffing capacity to perform the roles and responsibilities described above
- days of the week and hours of the days that you would make the Sullivan Center available for reservations; please explain why the facility should be closed on certain days or times
- suggested criteria for how your organization would approve rental requests and staff the facility to ensure maximum community benefit, including safety and facility maintenance
- minimum term you would accept for the contract and your preferred term for the contract
- your organization's preferred fee structure and financial arrangement with TVCDA

Required Attachments

Please attach the following information:

- the board-adopted mission statement for your organization (*if relevant*)
- most recently filed IRS Form 990 or most recent financial statement
- list of 5 most senior staff members, including titles and tenure with your organization. If staff consists of less than 5 persons, provide list of all staff
- please keep your proposal to no more than 5 pages

Submission

Please submit your proposal via email to Benton Coblenz **no later than Tuesday, February 4, 2020**. Should you have questions, feel free to contact Benton Coblenz at 206-433-1868 or benton.coblenz@tukwilawa.gov.



Vision and Mission Statements:

City of Tukwila:

- Vision: The city of opportunity, the community of choice.
- Mission: To provide superior services that support a safe, inviting and healthy environment for our residents, businesses and guests.

Tukwila Parks & Recreation:

- Mission: To enhance the quality of life for residents, businesses and visitors through quality recreational opportunities, services, and facilities.

Organizational Facility Management Experience:

Tukwila Parks & Recreation (TPR) is currently managing the Tukwila Community Center for program and rental usage. This includes:

- Three Meeting Rooms
- One Classroom
- Two Banquet Halls
- Kitchen
- Gymnasium
- Dance Studio
- Racquetball Court

The facility is available for programming and rental use 110 hours a week. In addition, staff manage scheduling for 5 park shelters and 5 ball fields.

Most Senior Staff:

- Rick Still, Parks & Recreation Director, 19 years
- Tracy Gallaway, Recreation Manager, 19 years
- John Dunn, Recreation Superintendent, 13 years
- Kirstin May, Facility Coordinator, 17 years
- Shannon Kaopua, Facility Administrative Assistant, 4 years

Administration & Technical Capacity:

TPR can manage all aspects of the facility management including:

Rentals: staff will manage initial inquiries/tours, booking, contract management and event staffing (including set up and takedown).

Facilities: marketing, contracting with custodial service 2-3 days a week.

Programming: TPR specializes in recreation programming and special event implementation for the community. TPR staff may offer programs for the public during available hours.

Software:

TPR uses cloud-based software, called PerfectMind, to manage the facility usage. This software allows online access from any location with internet access. Profiles can be created for Tukwila Village Community Development Association (TVCDA) board members to access and view schedules and bookings. PerfectMind also allows for general public to access and view availability. If TPR & TVCDA agree, there is a possibility to allow online self-booking for regular fee-based groups or preapproved non-profit groups.



Staffing Plan and Capacity:

TPR has 2 full time staff and one part time staff that maintain contracts and scheduling of facilities. There is also one additional staff that assists and manages the software for facilities when needed. The 3 facility staff will manage inquiries and bookings. They will go to the Sullivan Center to meet with potential facility users when needed.

TPR facility staff will contract with a custodial service and maintain that relationship. In addition, with TVCDA guidance, TPR staff will develop marketing materials, revise rental information packets, and other materials as needed. TPR staff will hire, train, and schedule part time staff to open and close the rental facilities, set up and take down the room, and monitor the facility during rental use. TPR also has 10 other full time staff that can program various activities for the public including activities for seniors, youth & teens, adults and special events if schedules permit.

Hours of Operation:

Based on current published hours, TPR proposes the Sullivan Center be available for rental use Sun-Thu 7am-10pm, Fri-Sat 7am-1am. Rented hours include event preparation and clean up time needed by the client. (Rented time includes the moment the first person walks in to the last person to walk out.)

It is also proposed that the facility be closed on major holidays due to staffing limitations and avoid potential rental issues associated with some holidays.

Holiday	Reason	Holiday	Reason
Memorial Day	Staffing is short	Thanksgiving	Staffing is short
4 th of July	Staffing is short Fireworks on site	Christmas Eve & Christmas Day	Staffing is short
Labor Day	Staffing is short	New Years Eve & New Years Day	Groups may stay past time Staffing is short

The reservation procedure would be as follows:

For non-TPR events:

1. Initial inquiry in person or information searching by client (web or printed literature).
2. Official request submitted. Request would be by paper form (to be developed by TPR staff) or in person as part of the inquiry process. (Staff would vet event by the questions and conversations with client and check availability as part of the conversation.)
3. Entry of the reservation and creation of a contract with PerfectMind software based on the application or in person data collection.
4. Payment if applicable is received. TPR may need to adjust payment schedule due to the software used by TPR. (Collect damage deposit to hold space and rental fees 2 months prior to event.)
5. TPR Staff would manage the contract prior to the event date.
 - a. Collecting forms (insurance, etc)
 - b. Communicating with Kona Kai Coffee, SHAG, and Tukwila Library
 - c. Collect final payments if needed



6. Part time staff would arrive on the day of the event.
 - a. Ensure room is set up
 - b. Open doors to public/event participants
 - c. Be on site for entire event for tech support, facility monitor for safety and policy
 - d. Provide cleaning supplies to the group
 - e. Put tables and chairs away if necessary
 - f. Lock up the building
7. TPR Staff would follow up with part time staff and client, if necessary, after the event to ensure all went well and process any damage deposit return, if needed.

For TVCDA Board Meetings and SHAG Events:

1. SHAG staff would have access to view availability online prior to reserving space.
2. SHAG staff would contact TPR staff to confirm they are not in the middle of booking for another group and then reserve the space for SHAG.
3. SHAG will manage its own events including:
 - a. Communications with Kona Kai Coffee and Tukwila Library
 - b. Opening, set up and all other day of duties of the event (no TPR staff on site)

For TPR Programming:

1. TPR programming staff will work with TPR facility staff for reservations.
2. TPR facility staff will be responsible for communications.
3. TPR programming staff will be responsible for the day of event and responsibilities associated with the day.

Management Contract Term:

TPR is requesting a 2 year initial contract with a one year notice of non-renewal of contract. This request is to accommodate TPR staff scheduling rentals and planning programming up to one year in advance. At a minimum, TPR would accept a shorter notice if at the time of notice, all currently scheduled programs and events were honored by TVCDA and the new management organization.

Management Fee and Financial Agreement:

As TPR is a government agency, fiscal responsibility is paramount in all endeavors the City enters. TPR would ensure all expenses incurred by TPR would be covered at 100% cost recovery. 75% of remaining revenue after TPR expenses would be for the TVCDA. TPR "profit" would be 25% plus the ability to program the space for activities that meet the needs and desires of the community. TPR would provide a quarterly report of expenses and revenue and submit a payment for the 75% surplus.

Below are 2 examples of potential expenses and revenues based on a high number of hours (25) for paid rentals per week and a low number of hours (11) for paid rentals per week. Both examples include overhead and direct costs (including staffing to cover 10 hours of free usage per week by non TPR users).

These examples are for demonstration purposes only and are not a guarantee of revenue or surplus.



Example One: More Paid Rentals

(5) 3-hr rental Mon-Fri and (2) 5-hr rental Sat-Sun

Overhead Costs:		\$/hr	hrs/wk	weeks
Hourly staff setup/takedown	\$ 17,500.00	\$ 25.00	14	50
Tours/contract management	\$ 10,000.00	\$ 40.00	5	50
Custodial	\$ 31,200.00	\$ 200.00	3	52
Marketing	\$ 5,000.00			
	\$ 63,700.00			

Direct costs:		\$/hr	hrs/wk	weeks
Event staff	\$ 31,250.00	\$ 25.00	25	50
Free event staff cost	\$ 12,500.00	\$ 25.00	10	50
Total est. cost	\$ 107,450.00			

Potential Revenue:		\$/hr	hrs/wk	weeks
Suggested rates Mon-Thu	\$ 36,000.00	\$ 60.00	12	50
Suggested rates Fri-Sun	\$ 71,500.00	\$ 110.00	13	50
Suggested Kitchen rate	\$ 37,500.00	\$ 50.00	15	50
Suggested Plaza rate	\$ 3,840.00	\$ 60.00	8	8
	\$ 148,840.00			

Surplus over P&R Cost \$ 41,390.00

Example Two: Less Paid Rentals

(2) 3-hr rental Mon-Fri and (1) 5-hr rental Sat-Sun

Overhead Costs:		\$/hr	hrs/wk	weeks
Hourly staff setup/takedown	\$ 7,500.00	\$ 25.00	6	50
Tours/contract management	\$ 8,000.00	\$ 40.00	4	50
Custodial	\$ 20,800.00	\$ 200.00	2	52
Marketing	\$ 5,000.00			
	\$ 41,300.00			

Direct costs:		\$/hr	hrs/wk	weeks
Event staff	\$ 13,750.00	\$ 25.00	11	50
Free event staff cost	\$ 12,500.00	\$ 25.00	10	50
Total est. cost	\$ 67,550.00			

Potential Revenue:		\$/hr	hrs/wk	weeks
Suggested rates Mon-Thu	\$ 18,000.00	\$ 60.00	6	50
Suggested rates Fri-Sun	\$ 27,500.00	\$ 110.00	5	50
Suggested Kitchen rate	\$ 20,000.00	\$ 50.00	8	50
Suggested Plaza rate	\$ 3,840.00	\$ 60.00	8	8
	\$ 69,340.00			

Surplus over P&R Cost \$ 1,790.00

GOOD HEALTHY FUN



Other items and recommendations:

TVCDA would be responsible for the purchase of equipment for the space and general facility maintenance. As rental professionals, there are items TPR requests to be purchased right away to increase marketability and usability of the space in order to attract paid renters. Those items include:

- Additional tables: Need a total of (12) 5' rounds and (5) 6' rectangle tables.
- Additional chairs: Need 100 total to seat at the rounds for a full banquet. (If more are needed for a large event, the charge to rent additional chairs would be worked into the rental contract and collected from the rental group.)
- Due to the limited storage, shelves need to be installed to hold items above the tables and chairs instead of taking up floor space for the new tables and chairs.
- Window blinds for the upper windows on the parking lot side of the building. Winter sun coming through makes it very difficult to see.
- Add acoustic tiles or hanging banners to the space. The acoustics are echoey and will be difficult for those with hearing issues to enjoy the facility. With the desire to serve senior populations in the community, this should be set as a priority when possible.
- With another agency managing the restaurant side of the building, having the ice machine and mop sink in their side creates the potential for issues between the venue manager and the restaurant. It is recommended that those items be installed on the venue side so that there is no need for staff to enter the restaurant side of the building. If this is not possible, there needs to be an agreement in place with release of liability for TVCDA and TPR.
- A formal parking agreement needs to be in place to ensure parking needs are met for the renters of the facility.
- There needs to be an agreement in writing between the venue manager and the restaurant in regard to the cleaning and upkeep of the common areas. A joint responsibility would be best as the area will be used when the space is not rented. However, if this is not possible, a shared cost of contracting cleaning would be preferred.

