05

POTENTIAL PARTNERSHIPS

COMMUNITY CENTER
FEASIBILITY TASK FORCE

uacommunitycenter.com

JUNE 2020

IDENTIFIED POTENTIAL PARTNERSHIPS

Upper Arlington Community Center Feasibility Study

PARTNERSHIP OPPORTUNITIES:

PROS Consulting met with the following potential partners as part of the review process to determine their interest in investing in the Upper Arlington Community Center as a capital partner or program partner.

1.1 Community Center Partnerships

Public/Private Capital Partner is described as another service provider from the private sector who is capable of investing financially into the facility as a long-term partner. This is a partner that complements what the City is providing into the facility in terms of programs to offset the cost to build the facility. This is a partner that can help support the operations of the facility while focusing on the same market as the City. Capital Partnerships are usually 10-20 years in length.

Public/Not-for Profit Partner is described as a partner who provides programs or services in the facility and pays a permit fee or reservation fee to access the facility for their specific program that is not in competition with the City but complements the City programs and services to build a wider level of users. The public/not-for-profit partner usually pays a set rate per square foot cost of their space and common area maintenance charges (CAM) for their space but pays no capital fees to develop the facility on a yearly basis. This can be adjusted on an annual basis.

Public/Public Partner is described as a partner like a school district or library that can invest in the facility to serve their needs for programs in community center facility as a capital partner, a long-term lease partner or an hourly rate partner. In most situations the Public/Public Partner invest both capital cost and operational costs for access to certain times in the community center. The cost is determined based on the total hours of exclusive use they have for the spaces are on a yearly basis and adjusted accordingly. Terms of the partnership will be 10 to 20 years in length.

The key principles in partnership negotiations are as follows:

1. The City must know its true cost to operate and maintain space in the facility including CAM that can be adjusted yearly and passed on to various partners.
2. The City will partner with agencies that are not in competition with them for people, programs or services but complements their services.
3. The ability to allow partners at times to share their spaces that are not just exclusively used by one partner but can be shared. Example a therapy pool or a gym.
4. The willingness of the City to allow partners to have a say in the design and build out of their spaces and allow for their own furniture, fixtures, and equipment.
5. The willingness for all partners involved to share data or use reports that is not confidential but can be used for marketing purposes.
6. The willingness of all long-term capital or permit partners involved in how the community center operates to be involved in how the facility is marketed to the community.

7. A willingness to be a part of the upgrade of common spaces when it is needed via capital improvement dollars.
8. The willingness of long-term partners to share utility costs for their space or shared space based on an hourly rate of use charged.

1.2 Best Practice for All Partnerships

All partnerships developed and maintained by the City should adhere to common policy requirements. These include:

- Each partner will meet with or report to City staff on a regular basis to plan and share activity-based costs and equity invested.
- Partners will establish measurable outcomes and work through key issues to focus on for the coming year to meet the desired outcomes.
- Each partner will focus on meeting a balance of equity agreed to and track investment costs accordingly.
- Measurable outcomes will be reviewed quarterly and shared with each partner, with adjustments made as needed.
- A working partnership agreement will be developed and monitored together on a quarterly or as-needed basis.
- Each partner will assign a liaison to serve each partnership agency for communication and planning purposes.
- If conflicts arise between partners, the City-appointed lead, along with the other partner's highest-ranking officer assigned to the agreement, will meet to resolve the issue(s) in a timely manner. Any exchange of money or traded resources will be made based on the terms of the partnership agreement.
- Each partner will meet with the other partner's respective board or managing representatives annually, to share updates and outcomes of the partnership agreement

1.3 Best Practice for Public/Private Partnerships

The recommended policies and practices for public/private partnerships that may include businesses, private groups, private associations, or individuals who desire to make a profit from use of City facilities or programs are detailed below. These can also apply to partnerships where a private party wishes to develop a facility on park property, to provide a service on publicly-owned property, or who has a contract with the agency to provide a task or service on the agency's behalf at public facilities. These unique partnership principles are as follows:

- Upon entering into an agreement with a private business, group, association or individual, City staff and political leadership must recognize that they must allow the private entity to meet their financial objectives within reasonable parameters that protect the mission, goals and integrity of the City.
- As an outcome of the partnership, the City of Upper Arlington must receive a designated fee that may include a percentage of gross revenue dollars less sales tax on a regular basis, as outlined in the contract agreement.
- The working agreement of the partnership must establish a set of measurable outcomes to be achieved, as well as the tracking method of how those outcomes will be monitored by the agency. The outcomes will include standards of quality, financial reports, customer satisfaction, payments to the agency, and overall coordination with the City for the services rendered.

- Depending on the level of investment made by the private contractor, the partnership agreement can be limited to months, a year or multiple years.
- If applicable, the private contractor will provide a working management plan annually they will follow to ensure the outcomes desired by the City. The management plan can and will be negotiated, if necessary. Monitoring of the management plan will be the responsibility of both partners. The agency must allow the contractor to operate freely in their best interest, as long as the outcomes are achieved and the terms of the partnership agreement are adhered to.
- The private contractor cannot lobby agency advisory or governing boards for renewal of a contract. Any such action will be cause for termination. All negotiations must be with the Recreation Director or their designee.
- The agency has the right to advertise for private contracted partnership services or negotiate on an individual basis with a bid process based on the professional level of the service to be provided.
- If conflicts arise between both partners, the highest-ranking officers from both sides will try to resolve the issue before going to each partner's legal counsels. If none can be achieved, the partnership shall be dissolved.

1.4 Best Practice Partnership Categories

The City of Upper Arlington currently has a strong network of recreation program partners. These recommendations are both an overview of existing partnership opportunities available to the City of Upper Arlington, as well as a suggested approach to organizing partnership pursuits. This is not an exhaustive list of all potential partnerships that can be developed but can be used as a tool of reference for the agency to develop its own priorities in partnership development. The following five areas of focus are recommended:

1. **Operational Partners:** Other entities and organizations that can support the efforts of the City to maintain facilities and assets, promote amenities and facility usage, support site needs, provide programs and events, and/or maintain the integrity of natural/cultural resources through in-kind labor, equipment, or materials.
2. **Vendor Partners:** Service providers and/or contractors that can gain brand association and notoriety as a preferred vendor or supporter of the City or department in exchange for reduced rates, services, or some other agreed upon benefit.
3. **Service Partners:** Nonprofit organizations and/or friends' groups that support the efforts of the agency to provide programs and events, and/or serve specific constituents in the community collaboratively.
4. **Co-Branding Partners:** Private, for-profit organizations that can gain brand association and notoriety as a supporter of the City in exchange for sponsorship or co-branded programs, events, marketing and promotional campaigns, and/or advertising opportunities.
5. **Resource Development Partners:** A private, nonprofit organization with the primary purpose to leverage private sector resources, grants, other public funding opportunities, and resources from individuals and groups within the community to support the goals and objectives of the agency on mutually agreed strategic initiatives.

June 2020

POTENTIAL PARTNERSHIPS BY INDUSTRY

Upper Arlington Community Center Feasibility Study

Potential Partnerships		
Industries in City	**Partnership Type**	**Partnership Categories**
Health Care & Social Assistance (18.4%)	Public/Not-for-Profit, Public/Public & Public/Private	Capital, Operational, Service, Co-Branding, & Resource Development
Educational Services (17.1%)	Public/Not-for-Profit, Public/Public & Public/Private	Capital development and services
Professional, Scientific, & Technical Services (14.7%)	Public/Private & Public/Not-for-Profit	Capital, Operational, Service, Co-Branding, & Resource Development
Finance and Insurance (7.39%)	Public/Private	Capital, Operational, Service, Co-Branding, & Resource Development
Retail Trade (6.87%)	Public/Private	Capital, Operational, Service, Co-Branding, & Resource Development
Manufacturing (5.02)	Public/Private	Capital, Operational, Service, Co-Branding, & Resource Development
Public Administration (4.17%)	Public/Public	Operational, Service, Co-Branding, & Resource Development
Construction (3.65%)	Public/Private	Capital, Operational, Service, Co-Branding, & Resource Development
Other Services, except Public Admin. (3.56%)	Public/Private, Public/Not-for-Profit	Operational, Service, Resource Development
Accommodation & Food Services (3.47%)	Public/Private	Operational, Service
Real Estate & Rental & Leasing (2.98%)	Public/Private	Capital, Operational, Service, Co-Branding, & Resource Development
Wholesale Trade (2.73%)	Public/Private	Capital, Operational, Service, Co-Branding, & Resource Development

Administrative, Support & Waste Management (2.52%)	Public/Private	Operational, Service, Resource Development
Arts, Entertainment, & Recreation (2.01%)	Public/Not-for-Profit, Public/Public & Public/Private	Capital, Operational, Service, Co-Branding, & Resource Development
Transportation & Warehousing (1.85%)	Public/Public & Public/Private	Capital, Operational, Service, Co-Branding, & Resource Development
Information (1.71%)	Public/Private	Capital, Operational, Service, Co-Branding, & Resource Development
Utilities (1.43%)	Public/Private	Capital, Operational, Service, Co-Branding, & Resource Development

Upper Arlington Community Center Partnership Models

October 20, 2020

City of Upper Arlington

Models

- Capital Partner
- Operating Partner
- Leasehold Partner

Capital Partners

- Less common
- Mason Ohio Community Center utilized partnership between school district and municipality to share capital expense for a community center facility attached to the high school.
- School district granted primary use of portions of the facility during school hours.
- Private fundraising

Operating Partner

- Recently constructed YMCAs in Central Ohio
- New Albany Heit Center operated by Ohio State

YMCA

- Municipalities such as Delaware and Reynoldsburg have paid to construct facilities operated by the YMCA
- Facilities are fitness oriented
- Limited Recreation and Enrichment programing
- YMCA relies on communities to operate senior center services
- Operating expenses covered by YMCA thru membership and fitness programing

Heit Center New Albany

- Constructed by New Albany via TIF proceeds
- Leased to Ohio State and Nationwide Children’s
- Ohio State leases and operates fitness and small aquatics area via third party contract
- Ohio State has both physical therapy area and clinical space
- Healthy New Albany, non-profit, leases space for programs

Leasehold Partnership

- Mason Ohio leases space to medical provider
  - Lease pays for all of the debt associated with facility expansion and generates excess operating revenue
- Reynoldsburg YMCA leases 10,000 sq ft to Ohio Health for primary care offices
  - Lease pays for physical space and percentage of CAM.
  - Access to medical services and modest income tax generation

Kingsdale Limitations

- The City entered into a Development Agreement with Ohio State for the Zollinger Rd medical building
- Agreement restricts incentivizing additional projects within the Kingsdale triangle that would compete with medical services offered by OSU

Summary

- Leasehold medical partner most likely option
  - Complementary Services
  - Annual revenue
- Operating partnerships would need to allow for existing Recreation and Leisure programming and operations of Senior Center programs and services
- Operating partnership may impact CCFTF goal of providing a community center with non-fitness activities and space