

MEMORANDUM

TO: Board of Trustees

FROM: Indra Winqest
District General Manager

SUBJECT: Review, discuss, and possibly approve a Memorandum of Understanding between the Incline Village General Improvement District and the David and Cheryl Duffield Foundation for the conceptual phase of the Expansion of the Recreation Center

DATE: February 9, 2022

I. RECOMMENDATION

That the Board of Trustees makes a motion to approve a Memorandum of Understanding between Incline Village General Improvement District and the David and Cheryl Duffield Foundation for the conceptual phase of the expansion of the Recreation Center.

II. DISTRICT STRATEGIC PLAN

Long Range Principal #1 Service

Long Term Initiative 6 - Execute the short and long term strategy as they relate to various district venue and facility master plans and studies as the roadmap for the future.

Long Range Principal # 5 Assets & Infrastructure

Long term Initiative 2 - Continue to review and potentially implement priorities identified in the various district venue and facility master plans and studies as defined by the Board of Trustees.

III. BACKGROUND

Community Service Master Plan, approved in 2018, includes top tier and second tier recommendations (Pages 133-139). These include:

Top Tier Recommendations

- Enhance and maintain IVGID's current facilities and upgrade equipment on a regular schedule
- Develop a dedicated Dog Park
- Connect facilities to create a connected trail system and provide walking loops
- Develop dedicated rectangle fields at the high school
- **Improve and expand the Recreation Center**
- Continue partnerships to provide Cross-County Ski Trails
- Move forward top priorities from the Beaches Recreation Enhancement Opportunities Plan, Tennis Center Facilities Assessment, and the Diamond Peak Master Plan
- Develop Bocce Courts

Included in the top tier recommendations is to improve and expand the Recreation Center to address existing gaps in service to the community and the Recreation Center membership.

The current design of the Recreation Center, as documented in the Community Services Master Plan, presents challenges as it relates to conflicting usage and the overall ability to provide services to the youth and teens in the community. Current programming use of the Recreation Center cannot appropriately accommodate certain types of programs and activities. The Recreation Center contains a robust membership base who expect a quality health and fitness center experience. Youth, teens, and families in the community have existing needs as well and the current design of the Recreation Center simply cannot consistently satisfy the activity and programmatic needs of the overall community.

Identified community priorities, gaps and recommendations, as it relates to the Recreation Center in the Community Services Master Plan, include but are not limited to:

- Need for an additional multi use gymnasium
- Flexible use meeting, fitness, personal training, and programming facilities for youth and seniors
- Increased valued sports & recreation programs
- Storage Space

Over the past couple years, demand for youth, teen and family programming has increased significantly and many of the youth programs operated by the Parks and Recreation Department are near or at capacity so there are additional demands that cannot currently be met based on available facilities and resources. Parks and

Recreation Staff continue to work with partners such as Lake Tahoe School and Washoe County School District for utilization of facilities however these partners have their own specific needs so the existing shared space in the community is overall not sufficient.

At the Board of Trustees meeting of January 12, 2022, the Board took action and authorized/approved staff by unanimous vote to work with the Dave and Cheryl Duffield Foundation to develop a Memorandum of Understanding (MOU) to initiate a conceptual design phase for the purpose of expanding programs and services to the community at the Recreation Center, to be brought back to the Board of Trustees for approval at a future meeting. The District General Manager has worked with IVGID Legal Counsel Joshua Nelson and members of the David & Cheryl Duffield Foundation team to develop this Memorandum of Understanding (MOU).

IV. POTENTIAL PARTNERSHIP OPPORTUNITY WITH THE DAVID AND CHERYL DUFFIELD FOUNDATION

IVGID and the David and Cheryl Duffield Foundation have developed a solid partnership over the past few years; most recently partnering on the Incline Park Ballfield Renovation and the grant funded equipment to develop and implement what is now a thriving community gymnastics program that has unfortunately reached a point where there is minimal room for growth and the ability to accommodate the demand from the community due to lack of available facilities. Thanks to the generosity of the David and Cheryl Duffield Foundation, these programs and facilities have enhanced the overall services that IVGID is able to offer the community.

After significant discussion with the District, the David and Cheryl Foundation has issued IVGID a letter of interest to enter into another partnership with IVGID to expand and enhance the Recreation Center Campus to provide additional services to the community of Incline Village/Crystal Bay.

This vision for this partnership includes but is not limited to expansion of the Recreation Center primarily to serve youth and teens in the community through well managed and supervised programs and activities while providing opportunities to alleviate some of the existing issues and conflicting use at the Recreation Center identified in the Community Services Master Plan and experienced daily by Parks and Recreation Staff. While the vision for the expansion primarily would be to serve youth and teens, there would be opportunity to utilize the facilities for personal training and other types of commission based recreation services that would provide net revenue to the District. Additionally, the

ability to utilize alternative recreation space would free up space in the existing gymnasium and fitness areas which is problematic during certain times of the day. The addition of a youth and teen specific area would also alleviate many of the issues that arise in the Recreation Center lobby as many of the local youth visit the Recreation Center daily to recreate and socialize. This creates conflict in the lobby and the administrative area where Staff is serving customers at the Recreation Center counter. Being able to provide a location for local youth and teens to recreate and socialize safely in a positive environment is crucial and is extremely necessary.

The initial vision for this project includes an additional multi use gymnasium with an emphasis on youth programming and activities including static and dedicated space for gymnastics approximately 60 ft. by 60 ft. but as mentioned could provide opportunities for other services in the mornings and early afternoons. Additionally, space for programming and social activity, administrative, small kitchen, restrooms, storage, and other potential flexible areas.

IVGID will also work with the North Lake Tahoe Boys & Girls Club (NLTBGC) if this project proceeds, the plan is to develop an operational partnership with the NLTBGC to supervise and provide programming to the youth and teens in the community.

The David and Cheryl Duffield Foundation have formally communicated to the IVGID District General Manager that they are fully committed to entering into a partnership with IVGID to develop and implement this project and provide the financial resources to make this a reality.

V. NEXT STEPS

The conceptual phase would include a preliminary conceptual design, high level cost estimation, estimated operating and maintenance estimations, and a preliminary programmatic and potential fee and revenue opportunities.

Ultimately, the conceptual phase would inform the recommended overall project that would be brought back to the Board for formal approval to proceed. It is imperative and the desire of the David and Cheryl Duffield Foundation to accelerate this project and they understand this would entail bringing in a third party to manage this project as IVGID Engineering Staff has a significant workload in the upcoming five-year capital plan.

January 1, 2022

Mr. Indra Winqest
District General Manager
Incline Village General Improvement District
893 Southwood Blvd
Incline Village, NV 89451

Dear Mr. Winqest,

This letter serves to affirm the interest of the Dave & Cheryl Duffield Foundation (the "Foundation") in supporting improvements and new amenities to Incline Village recreation facilities and services as further described below. While this letter does not constitute a financial commitment, it is the intent of the Foundation to partner with the Incline Village General Improvement District to effect these improvements under terms and conditions to be further negotiated in good faith over the coming months as conceptual design and approval processes progress. Additionally, this offer is contingent upon an eventual overall agreement between parties to pursue an aggressive timeline for final completion of said improvements to be determined and agreed upon during the conceptual phase.

Potential activities contemplated under this affirmation of interest include construction of youth and teen facilities at the existing IVGID Recreation Center site to include but not limited to:

- Construction of a new multi-use gymnasium to provide safe and supervised programs and activities for community youth and teens including dedicated space for gymnastics programming and instruction
- Ancillary programming space to include but not limited to multi – use classroom programming space and social and emotional learning gathering space
- Administrational space including but not limited to front desk and check in services, office and meeting space
- Supporting infrastructure including but not limited to restrooms, kitchen, and storage space

The Dave & Cheryl Duffield Foundation is a private foundation chartered as a 501(c)3 not-for-profit corporation under the laws of Nevada.

Sincerely,

Chris Watts
Treasurer

MEMORANDUM OF UNDERSTANDING REGARDING CONCEPTUAL DESIGN OF RECREATION CENTER

THIS MEMORANDUM OF UNDERSTANDING (“**MOU**”) is made and entered into as of this ____ day of _____, 2022, by and between the INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT (“**District**”), a Nevada general improvement district, and the DAVE & CHERYL DUFFIELD FOUNDATION (“**Foundation**”), a Nevada non-profit corporation, to confirm the understanding between IVGID and Foundation regarding Foundation’s payment for and/or reimbursement to IVGID for the design and permitting for an expanded recreation center as set forth below.

RECITALS

WHEREAS, IVGID owns and operates the Incline Village Recreation Center, which is located at 980 Incline Way, Incline Village, NV 89451 (“**Recreation Center**”) and

WHEREAS, IVGID is interested in expanding the Recreation Center to include a multi-use gymnasium, programming space, and ancillary infrastructure to increase the ability of the Recreation Center to provide gymnastics and other community oriented programming with an emphasis on youth and families (“**Expansion**”); and

WHEREAS, the Foundation is willing to fund the development of a conceptual design phase for the Expansion as set forth in this MOU.

TERMS

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions herein set forth, and the recitals above, which are incorporated herein by this reference, it is agreed by IVGID and Foundation:

1. **Expansion.** IVGID shall develop a conceptual design for the Expansion as outlined in Exhibit A, incorporated by this reference. The Foundation may provide input into the development and contents of the design but IVGID shall have the sole discretion and approval over the same. IVGID may utilize its staff and/or a third party consultant to develop the conceptual design for the Expansion, including internal contract and project management. All services and work set forth in this Section for the Expansion shall be referred to as the “**Work**.”

2. **Funding.** The Foundation shall pay all third party direct costs incurred by IVGID for the Work, and the Foundation and IVGID shall meet and confer on a not-to-exceed amount for any third party direct costs for the Work prior to its commencement. IVGID shall provide notice to the Foundation of the not-to-exceed amount prior to execution of any contracts for the Work, and IVGID shall not exceed the identified amount without prior written notice to the Foundation and an opportunity for the Foundation to terminate this MOU with written notice to IVGID and without any further liability or responsibility for costs in excess of the identified not-to-exceed

amount. The Foundation shall reimburse IVGID for its actual direct costs for the Work, which shall not include internal staff time. All third party costs shall be invoiced to Foundation on a monthly or other interval as determined by IVGID. Upon receipt of an invoice the Foundation shall timely pay the same.

3. **Future Efforts.** Upon completion of the Work, the parties shall meet and confer regarding whether to construct the Expansion. Either party retains the sole and complete discretion to decide whether to do so. Future cooperation, if any, regarding the Expansion shall be documented in an amendment to this MOU or a separate agreement.

4. **Termination.** Either party may terminate this MOU with forty-five (45) days' written notice to the other party with or without cause. In the event either party terminates this MOU without cause and except as set forth in Section 2, the Foundation shall be responsible for all Work incurred up to the date of termination plus all Work reasonably necessary to terminate any third party agreements.

5. **No Waiver.** The waiver by any party of any breach or violation of any requirement of this MOU shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this MOU.

6. **Notices.** Any notice or other communication ("**Notice**") which any party may desire to give to the other party under this MOU must be in writing and given to the respective parties at the following address, or at such other address the respective parties may provide for this purpose:

IVGID: Incline Village General Improvement District
 893 Southwood Blvd.
 Incline Village, NV 89451

Foundation: [insert]

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first-class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

7. **Interpretation.** The headings used herein are for reference only. The terms of this MOU are set out in the text under the headings. This MOU shall be governed by the laws of the State of Nevada without regard to the choice of law or conflicts.

8. **Venue.** This MOU is made in Washoe County, Nevada. The venue for any legal action for the purpose of interpreting or enforcing any provision of this MOU shall be in Washoe County.

9. **Attorneys' Fees.** If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this MOU, the prevailing

party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

10. **Third-Party Beneficiaries.** Nothing contained in this MOU shall be construed to create any rights in third parties and the Parties do not intend to create such rights.

11. **Severability.** If any provision of this MOU, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this MOU.

12. **Amendment of MOU.** This MOU may be amended at any time by mutual agreement of the parties.

13. **Entire Agreement.** This MOU constitutes the entire agreement between the Parties relating to the subject of this MOU and supersedes all previous agreements, promises, representations, understandings and negotiations, whether written or oral, among the Parties with respect to the subject matter hereof.

14. **Effective Date.** This MOU shall become effective as of the date executed.

15. **Limitation of Liability.** Nothing in this MOU limits or waives IVGID's immunity from liability as set forth in NRS Chapter 41 or other applicable law.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this MOU on the date first above written.

**DAVE & CHERYL DUFFIELD
FOUNDATION**

**INCLINE VILLAGE GENERAL
IMPROVEMENT DISTRICT**

EXHIBIT A

The District anticipates that the conceptual design for the Expansion shall include but not entirely limited to the following:

- A Multi-Use Gymnasium. This Gymnasium to include a dedicated, approximately 60 ft. by 60 ft. space for Gymnastics Programming.
- Additional Programming and social areas
- Administrative Space
- Small Kitchen/Restroom facilities
- Appropriate Storage

The development of the conceptual design shall include architectural or similar drawings for the Expansion including three dimensional renderings and images.

The design shall also include project and programming plan and costing as set forth below:

Project Cost Estimation – Overall estimation of project costs including estimate for full design and project management services.

Operations & Maintenance Cost Estimation – General Maintenance and operational costs including utilities and other fixed costs such as insurance, custodial etc.

Operations and Programmatic Plan to include potential collaboration with the Boys & Girls Club – types of programs and activities, staffing needs and levels, fee structure, and similar related activities.