



## PARKS AND RECREATION DEPARTMENT

QUINLAN COMMUNITY CENTER  
10185 NORTH STELLING ROAD • CUPERTINO, CA 95014-5732  
TELEPHONE: (408) 777-3120 • FAX: (408) 777-1305  
CUPERTINO.ORG

### CITY COUNCIL STAFF REPORT

Meeting: July 21, 2020

#### Subject

Authorization to Amend the Current Agreement with Lifetime Tennis Inc., DBA Lifetime Activities Inc. Due to the Impacts of COVID-19.

#### Recommended Action

Authorize the City Manager to amend the current agreement with Lifetime Tennis Inc., DBA Lifetime Activities Inc. to adjust the rent compensation accepted by the City for the period of 15 months (March 16, 2020 - June 30, 2021) due to the impacts of COVID-19.

#### Discussion

The current six-year Agreement with Lifetime Activities Inc., DBA Lifetime Activities Inc. ("Contractor") was approved in July 2018. Per this agreement, compensation to Contractor is as follows: 100% of class fees. Lifetime Activities shall remit \$335,000 in annual rent to the City or 16% of the total annual revenue generated by Lifetime Tennis Inc., DBA Lifetime Activities Inc. for their programs offered at the Cupertino Sports Center and the Memorial Park courts in a given fiscal year, whichever is greater. There shall be a \$5,000 per year rent escalator. Payments to be made by the City in 8 seasonal payments during the fiscal year. Rent to be deducted in 8 equal amounts when City processes each of the 8 seasonal payments made to Lifetime Tennis Inc., DBA Lifetime Activities Inc.

Due to COVID-19 and the current restrictions that are in effect, Lifetime Activities is currently limited to outdoor activities only, thus reducing their programming abilities to approximately 25% of their typical schedule. We are proposing that the Agreement between the City and Contractor be amended to include the following sentences to the Compensation section: Notwithstanding the foregoing, for the period of March 16, 2020 to June 30, 2021, the City may accept the lesser of the then-current annual rent or 16% of the total annual revenue. City and Contractor may mutually agree for Contractor to teach a class online rather than in person, provided the City and Contractor mutually agree to compensation for that online class. Compensation for that online class shall be specified in writing in a separate agreement before online instruction for a class begins.

Sustainability Impact

No sustainability impact.

Fiscal Impact

This amendment results in an estimated reduction of rent collected from the Contractor of about \$30,000 per payment. The revenue loss was forecasted and built into the approved FY 20-21 budget.

---

Prepared by: Jenny Koverman, Recreation Supervisor

Reviewed by: Joanne Magrini, Director of Parks and Recreation

Approved for Submission by: Deborah Feng, City Manager

Attachments:

A – Second Amendment

B – Current Agreement