



STAFF REPORT **ACTION ITEM**

Item # 11.c.

SUBJECT: Bush Tabernacle Workgroup Update and Request for Rescission of Non-Renewal Notice to the Concessionaire (Amie Ware) (pg. 95)

DATE OF MEETING: April 11, 2023

STAFF CONTACT(S): **COUNCIL/LIAISON CONTACTS:**
Ron Rise, Jr., Council Liaison to EDAC
Erin Rayner, Council Liaison to PRAB
Brian Dean, PRAB Designee
Dave Wood, EDAC Designee

STAFF CONTACTS:
Amie Ware, Parks and Recreation Division Manager
Hooper McCann, Director of Administration
Dale Lehnig, Director of Engineering, Planning & Development
Bob Dryden, Facilities Coordinator
Kathy Elgin, Procurement Officer
Marty Kloeden, Contract and Insurance Counsel

SUMMARY and RECOMMENDATIONS:

In February 2023, a Work Group was formed to research and review options for the development of a Request for Proposals (RFP) and ultimately a new contract for the management of the Bush Tabernacle. This Work Group consists of the Town Council liaisons from the Purcellville Parks and Recreation Advisory Board and the Economic Development Advisory Committee, one committee member from each, and members of staff. At the March 28, 2023 Town Council meeting, the Work Group presented a motion to rescind the Non-Renewal Notice given to Shaun Alexander Enterprises, Inc. (SAE) on December 29, 2022 with the intent that the contract to manage the Bush Tabernacle will remain in place until a new contract is awarded (attached). This action will keep the building open for roller skating and other events in accordance with the terms of the existing contract. The Non-Renewal Notice was given to SAE at the direction of Town Council. The current concession contract to manage the Bush Tabernacle Roller Skating Rink is between the Town of Purcellville and SAE, Inc.; the non-profit Purcellville Teen Center, Inc. is a subcontractor to SAE and manages the daily operations of the rink.

The Work Group's report previously presented to Town Council included a timeline showing that the new contract could be awarded by November 2023 and transition to the new contract would be complete by the end of March, 2024. The winter months are the busiest time of the year for the roller-skating rink.

Transition to a new contract is best handled during a slower time so customers receive the best service with as little disruption as possible, and will help ensure that the new contractor is in the best position to succeed. At the March 28, 2023 Town Council meeting, Town Council requested that the Work Group reconsider the timeline.

The Work Group is committed to securing the best outcome for the future of the Bush Tabernacle and Dillon's Woods properties by seeking out and identifying a vendor that will meet the multi-faceted goals of this project. With that commitment at the forefront, the Work Group reconsidered the timeline presented at the March 28, 2023 meeting and continues to believe that the timeline is reasonable and will provide the best opportunity for the Town to receive a wider range of proposals that best address the unique aspects of the properties and that best serve Town residents now and long-term.

At the group's April 3, 2023 meeting, the three options below were discussed. The Work Group's recommendation is for the Town Council to proceed with Option 1.

1. Proceed per the Work Group's recommendation to seek withdrawal of the Non-Renewal Notice and renew the existing Contract until March 31, 2024 (this new termination date will require a Contract amendment). During this period the Town will continue the effort initiated by the Work Group to implement a thorough RFP process seeking the best possible management based upon the new Scope of Services and a new contract. This option continues operation of the facility while accomplishing the stated goals of the Town to explore expanded opportunities.
2. Issue an emergency procurement which will most likely be with the current manager (if amenable) to permit the current RFP process to proceed. However, as the "emergency" is arguably self-inflicted, the reasons for the emergency would have to be clearly detailed in the statutorily required written determination and with whatever competition is practical under the circumstances.
3. Do nothing and the Contract expires on June 30, 2023, continue with the RFP process as planned, leaving the Bush Tabernacle closed until the new contract is awarded and eliminating \$20,000 in rental revenue to the Town.

The final consideration is if SAE either doesn't respond to the certified letter sent by the Town or declines to accept the withdrawal of the Non-Renewal Notice then the Contract will not renew on July 1, 2023. If the contract does renew (Notice is successfully withdrawn) then if SAE declines to accept the proposed amendment to modify the termination date to March 31, 2024, the Town will need to issue a Non-Renewal Notice by December 30, 2023 with final termination on June 30, 2024.

BACKGROUND:

The goal of the 2023 Historic Bush Tabernacle Work Group is to develop a Request for Proposal (RFP) that will secure an operational manager for the historic building and property that will meet the multi-faceted needs of our town as well as preserve and enhance the community benefit of these valuable properties (Bush Tabernacle and Dillon's Woods). While one of the Work Group's goals is also to create opportunities to provide for increased revenue in connection with the success of these assets, we believe that it is important to communicate our expectation that significant and immediate revenue accrual from this new RFP and vendor selection process will be limited and likely incremental in nature; it will take time to realize increased revenue and operational efficiencies. This is due to several key reasons that we believe it is critically important for Town Council and the community at large understand. These are explained below.

1. The Bush Tabernacle and Dillon Woods properties are, first and foremost, community assets that serve the residents and families of Purcellville as an entertainment venue and public outdoor space in keeping with the spirit of their historic nature and reflecting the values of our small town.
2. The Bush Tabernacle is listed on the National Register of Historic Places and has an easement that limits the ways in which the building may be used. The Work Group and the town leadership will not be able to accept responses to this RFP that will operate the properties outside of their stated purposes. There also are limitations related to alterations of the building structure, such as egress improvements for example. The Work Group recognizes that these limitations will likely limit the number of RFP responses receives and the scope of any immediate projected revenue increases.
3. Due to the existing economic headwinds and our researched understanding of the costs and revenue potential of managing a roller-skating rink and unfinished outdoor recreation space, our expectation is that the concession contractor will be working to address those challenges with the Town as partners for the success of the Bush Tabernacle and Dillon's Woods.
4. Expanding use of the rink, even to recreational uses permitted, impacts the primary purpose of the building which is roller skating. When the building has been closed for other events, customers have reached out displeased that the building wasn't open for roller skating. Any change in use for events and private parties, should be deliberate and with as little disruption to regular skating hours as possible. This is why the Work Group believes that having regularly scheduled events will not only help provide residents with more things to do in town and increase the number of visitors to town, but will help establish a set schedule for those who routinely use the roller-skating facilities.
5. Research conducted by the Work Group yielded very few businesses that manage roller skating rinks that do not also own the building that houses the rink, limiting the pool of potential proposers.

ISSUES:

To avoid closing the Bush Tabernacle on July 1, 2023, action needs to be taken either to rescind the non-renewal notice or to initiate emergency procurement. Should the building be closed for this amount of time, the Town will lose \$20,000 in rental revenue, and there will be a negative impact to those who use the roller-skating rink, and negative impact to the Town. Under the terms of the contract, SAE must consent in writing to the Town's rescission of the Non-Renewal Notice and any additional contract modifications or amendments such as changing the termination date.

BUDGET IMPACT:

Should the termination of the current contract not be rescinded or the contract term not be extended until a new contract is awarded, the Bush Tabernacle will need to be closed from July 1, 2023 through November 30, 2023. Additionally, should the building be closed for this amount of time, the Town will lose \$20,000 in rental revenue.

MOTION(S):

Option 1

In accordance with the recommendation made by the Work Group, I move that the Town Council 1) rescind the Non-Renewal Notice given to Shaun Alexander Enterprises, Inc. on December 29, 2022 with the intent that the contract to manage the Bush Tabernacle will remain in place until a new contract is awarded, keeping the building open for roller skating and other events in accordance with the terms of the existing contract; 2) staff is directed to immediately contact Shaun Alexander Enterprises, Inc. for their written concurrence that the Notice of Non-Renewal is rescinded; and 3) staff is hereby to propose a contract amendment to Shaun Alexander Enterprises, Incorporated modifying the contract's final termination date to March 31, 2024.

Option 2

I move that staff initiate the process for emergency procurement to cover the period from when the existing contract ends on June 30, 2023 through new contract award and transition by the end of March, 2024.

Option 3

I move that no action be taken to keep the Bush Tabernacle Skating Rink open either by rescinding the non-renewal notice or issuing emergency procurement, which will mean the facility will be closed until the new contract is awarded.

ATTACHMENTS:

March 28, 2023 Bush Tabernacle Staff Report with Attachments

STAFF REPORT
[INFORMATION/ACTION/PUBLIC HEARING ITEM]

SUBJECT: Bush Tabernacle

DATE OF MEETING: March 28, 2023

COUNCIL/LIAISON CONTACTS: Ron Rise, Jr., Council Liaison to EDAC
Erin Rayner, Council Liaison to PRAB
Brian Dean, PRAB Designee
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Development
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Kathy Elgin, Procurement Officer
Marty Kloeden, Contract and Insurance Counsel

Summary

In February 2023, a work group was formed to research and review options for the development of an RFP and ultimately a new contract for the management of the Bush Tabernacle. This work group consists of the Town Council liaisons from the Purcellville Parks and Recreation Advisory Board and the Economic Development Advisory Committee, one committee member from each, and members of staff.

Based on the information discussed at these meetings and the established length of time necessary to award a viable new management contract, the work group recommends that the Purcellville Town Council agree to rescind the Non-Renewal Notice the Town sent to Shaun Alexander Enterprises, Inc. (SAE), dated December 29, 2022. (See Attachment I) This will help ensure that the Bush Tabernacle Skating Rink remains open for business until the new contract is awarded. The new Non-Renewal Notice will be given before December of this year.

Background

On December 29, 2022, the Town notified the current Concession Contractor, SAE, of its intent to not renew the current contract to operate and manage the Bush Tabernacle under the contract's terms, ending the contract effective June 30, 2023. At the January 10, 2023 Town Council meeting, the Council directed staff to form a work group, consisting of members from the Purcellville Parks and Recreation Advisory Board (PRAB), Economic Development Advisory Committee (EDAC), and staff to consider possible options to maximize revenue, review current and other potential uses of the building, and review limitations for the use of this historic property, based on the Virginia Department of

Historic Resources (VDHR) easement. The information in this report reflects the recommendations and actions of this work group.

A joint meeting of PRAB and EDAC was held in February to brainstorm ideas and for the committees to identify a member from each to serve on the work group. This work group met on February 22 and March 15, 2023 to discuss expectations, requirements, revenue and revenue sharing, limitations, contractor qualifications, elements for the scope of work, research about skating rinks, and a probable timeline for awarding a new contract. According to the established timeline, a new contract will be in place by the end of November 2023. Given that winter is the busiest time of the year at the skating rink, making it difficult for transition without impact to the patrons, the work group recommends that the transition to the new contract start March, 2024.

The work group understands that one of the primary concerns of the Council is that the new contract generates additional revenue. To help meet that goal, the work group recommends that the new contract include the management of Dillion's Woods in addition to the Bush Tabernacle. Currently, Dillion's Woods contains a gazebo, picnic pavilion, and picnic tables. To add to the amenities in this area, an outdoor stage has been planned and budgeted for in the proposed FY2024 Parks and Recreation Fund Capital Improvement Plan. Once the stage is built, there will no longer be the need and expense to rent a stage for the Town's Music and Arts Festival held in Dillion's Woods. This will also provide a suitable stage for other festivals the Town hosts and be available for other organizations to rent for events, concerts, and performances. The contractor would plan and manage the events in this location as well as in the Bush Tabernacle. By expanding the options for the rental of this area, the contractor will be able to host new and varied events with the expectation that additional income will be generated therefore increasing revenue to the Town, either by a revenue share or other mechanism.

It is important to note that staff contacted the Virginia Department of Historic Resources (VDHR) about constructing the outdoor stage, and they indicated that it is consistent with the structures permitted on the property, in accordance with the easement.

Additional elements of the scope of work discussed for inclusion in the contract are market research to identify primary users, assessment of new and existing programs, and ways to make the rink livelier; staffing; marketing; events and programming; sponsorships; and more robust maintenance and improvement requirements. The work group is also reviewing revenue sharing options, such as a percentage of sponsorship income, percentage of event income, percentage of gross sales, and rent escalation.

Issues

Should the termination of the current contract not be rescinded or the current contract not modified to continue the term, the Bush Tabernacle will need to be closed from July 1, 2023 through November 30, 2023 because there won't be a contractor in place to manage the facility when this fiscal year ends on June 30. Additionally, should the building be closed for this amount of time, the Town will lose \$20,000 in rental revenue. Under the terms of the contract, SAE must consent in writing to the Town's rescission of the Non-Renewal

Notice and any additional contract modifications or amendments such as changing the termination date.

Budget Impact

Should the termination of the current contract not be rescinded or the contract term not be extended until a new contract is awarded, the Bush Tabernacle will need to be closed from July 1, 2023 through November 30, 2023. Additionally, should the building be closed for this amount of time, the Town will lose \$20,000 in rental revenue.

Motions

In accordance with the recommendation made by the work group, I move that the Town Council 1) rescind the Non-Renewal Notice given to Shaun Alexander Enterprises, Inc. on December 29, 2022 with the intent that the contract to manage the Bush Tabernacle will remain in place until a new contract is awarded, keeping the building open for roller skating and other events in accordance with the terms of the existing contract; 2) staff is directed to immediately contact Shaun Alexander Enterprises, Inc. for their written concurrence that the Notice of Non-Renewal is rescinded; and 3) staff is hereby to propose a contract amendment to Shaun Alexander Enterprises, Incorporated modifying the contract's final termination date to March 31, 2024.

Attachments

Timeline for RFP

12.29.22 letter of Notice of Termination

Bush Tabernacle Skating Rink RFP Timeline 2023

	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.
Present information to PRAB	X										
Share information with EDAC	X										
Hold joint meeting with PRAB, EDAC, Council liaisons, and staff		X									
Establish work group comprised of PRAB, EDAC, Council liaisons, and staff		X	X	X							
Conduct research		X	X								
Hold work group meeting (PRAB, EDAC, Council liaisons, staff)		X	X	X	X						
Present timeline and request about existing contract to Town Council			X								
Proceed with approved action				X							
Summarize results and recommendations				X							
Coordinate with Town procurement officer and contract specialist to prepare scope of work and RFP			X	X	X	X					
Staff drafts Scope of Work for RFP				X	X						
Determine other contract requirements (i.e. floor care; contract length; etc.)				X	X						
Prepare evaluation factors				X	X						
Establish proposal review committee					X	X					
Finalize RFP						X					
Issue RFP							X				
Hold proposal conference							X				
Respond to questions							X				
Review proposals								X			
Interview proposer(s)									X		
Negotiate Contract									X	X	
Decision on winning bid										X	
Notify proposers										X	
Send Contract to Proposer All documents submitted back to Town											X
Announce contract											X

Town Manager
David A. Mekarshi

Town Attorney
Sally G. Hankins



Chief of Police
Cynthia A. McAllister

Town Clerk
Diana Hays, CNC

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Jason Didawick, Public Works

December 29, 2022

Mr. Shaun Alexander
Shaun Alexander Enterprises, Inc.
140B Purcellville Gateway Dr., #811
Purcellville, VA 20132

Via Certified US Mail

Dear Shaun,

Upon advice and counsel from the Town Council, the Town wishes to exercise its rights under Paragraph 2. Effective Date: Term, of the AMENDED AND RESTATED CONCESSION CONTRACT FOR THE OPERATION AND MANAGEMENT OF THE BUSH TABERNACLE (Contract); specifically giving you written notice of the Town's intent not to renew the Contract. As such, the existing contract will not automatically renew on July 1, 2023; but rather terminate on June 30th, 2023. On behalf of the Council and Administrative team we would like to thank you for your contribution of maintaining the family recreational offerings, which are rooted in the history and traditions this facility and our community.

The Town intends to advertise for proposals through a competitive Request For Proposals (RFP) process and would welcome you to resubmit a proposal for evaluation.

Sincerely,

A handwritten signature in black ink, appearing to read "David Mekarshi".

David A. Mekarshi, AICP
Town Manager

CC: Town Council
Sally Hankins, Town Attorney
Dale Lehnig, Director of Engineering, Planning & Development
Via Email: message@shaunalexander.com, shaun@shaunalexander.com