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APR 23 2009

MEMORANDUM

Community Services Department Memo No. 09-219

DATE: APRIL 23, 2009

TO: MAYOR AND COUNCIL

THRU: W. MARK PENTZ, CITY MANAGER

FROM: MARK M. EYNATTEN, COMMUNITY SERVICES DIRECTOR 

SUBJECT: RFP FOR TUMBLEWEED COMMERCIAL RECREATION VENTURE

In August 2007 the City issued a Request For Proposals for a commercial recreation venture to be located on the southwest corner of McQueen and Germann roads. That corner is part of Tumbleweed Park, more specifically, a 22-acre parcel that has always been targeted for potential development of a commercial recreation venture. Four responses were received, with the proposal by Via West Properties, LLC (Via West) selected as the most promising and desirable. Two of the other three proposals were for products that could be incorporated into other proposals. They were deemed to be not suited for the development goals of the project. The third proposal was based on the City financing and developing a facility that would be leased back to the proposer for operation. That proposal was also deemed to not fit with the project's development goals.

Over the next several months, City staff and representatives of Via West met to discuss their proposal. The City hired Ernst and Young to review the proposal from a market viability standpoint. That report returned a positive viewpoint of the project but did cite that some level of City participation would be necessary for success.

Unfortunately, by the time that review was complete, the economy had begun to deteriorate and development had decreased substantially. Via West's preliminary discussions with potential tenants for their development concept matched the declining state of the economy. Finally, Via West notified the City staff that they were no longer interested in pursuing their proposal to develop the southwest corner of McQueen and Germann roads due to the status of the current economic climate and reduced options for funding.

As such, staff is recommending that the City Council reject all proposals for RFP-CS8-909-2496 – Tumbleweed Commercial Recreation Venture.

Recommended Motion: Move that all proposals for RFP-CS8-909-2496 – Tumbleweed Recreation Venture be rejected.