



**COUNTY OF SAN MATEO**  
**Inter-Departmental Correspondence**  
**County Manager's Office**

**DATE:** March 9, 2017  
**BOARD MEETING DATE:** March 14, 2017  
**SPECIAL NOTICE/HEARING:** None  
**VOTE REQUIRED:** Majority

**TO:** Honorable Board of Supervisors

**FROM:** John L. Maltbie, County Manager

**SUBJECT:** Authorization of \$1,250,000 Grant of Measure K funds for the Construction of a Regional Ice Skating Center

**RECOMMENDATION**

Adopt a resolution authorizing a one-time \$1,000,000 grant in **Measure K** funds, and a one-time \$250,000 grant of district-specific **Measure K** funds to the Mid-Peninsula Ice Rink Foundation (MIRF), a California nonprofit public benefit corporation, for the construction of a proposed Regional Ice Skating Center in the City of Burlingame and authorizing the County Manager, or his designee, to prepare and execute the grant agreement.

**BACKGROUND**

**Measure K** is the thirty-year half-cent general sales tax initially approved by San Mateo County voters in November 2012 and extended by the voters in November 2016. The Board and County staff have conducted study sessions and community outreach efforts to inform priorities for **Measure K** spending for FY 2015-17.

On March 17, 2015, the Board adopted the **Measure A** (now **Measure K**) allocation plan for the FY 2015-17 budget, during which the County anticipates **Measure K** receipts of approximately \$80 million annually. The plan included \$5 million in one-time loans or grants for FY 2015-16, and \$1 million each year for FY 2015-16 and 2016-17, divided equally among the five Board districts, for entities that submitted Letters of Intent which were not funded or, in cases of emergencies or unforeseen circumstances, other one-time projects for entities that did not submit a Letter of Intent. On April 28, 2015, the Board approved the criteria and process for staff to utilize in administering these funds. In accordance with such criteria, District 1 has submitted a request to use **Measure K** funds as described below. District 1 has previously allocated \$750,000 of its \$1 million discretionary capital fund.

**BACKGROUND:**

With the closure of the Bridgepoint Ice Rink in 2013 and Belmont Iceland in April 2016 there is now only one ice rink in San Mateo County, located in Redwood City, to serve thousands of youths and adults. This shortage has disrupted hockey leagues and figure skaters, dramatically reduced public skating availability, and forced skaters to make early-morning or late-night treks to Alameda County, San Francisco and the South Bay in search of ice time.

In response, a range of stakeholders formed the Mid-Peninsula Ice Rink Foundation (MIRF) to raise funds to construct a new, centrally located facility as part of a public-private partnership. Last November, MIRF, in partnership with Sharks Ice, responded to a Request for Proposals (RFP) issued by the City of Burlingame for the lease of the 12-acre Golf Center site in Bayside Park in Burlingame for the operation of a recreational or entertainment facility.

At its meeting on January 17, 2017, the Burlingame City Council discussed the MIRF proposal as well as proposals made by Topgolf International and the US Badminton Center Group. The City Council elected to postpone selecting one of the competing proposals in order to collect more information. The City Council has scheduled a study session for March 21, 2017 to further consider the three proposals.

The proposed Regional Ice Skating Center will include two NHL sized sheets of ice, a restaurant, locker rooms, community rooms, a fitness center, a homework lounge, and seating for approximately 300 spectators. MIRF also proposes to construct a parking lot, which would be sufficient to serve the needs of both the Regional Ice Skating Center and the existing soccer field, as well as hotel overflow parking. The proposed cost for the new ice rink facility is estimated to be \$18-\$20 million.

As proposed, the nearly 100,000 square foot facility will offer a variety of programs that will serve all ages and genders, including co-ed youth hockey, adult hockey, figure skating, public skating, broomball, curling, speed skating, birthday parties, and programs for both adults and youth with special needs. The Regional Ice Skating Center will also host regional and national tournaments.

The operator of the facility financed by MIRF will be Sharks Ice. Sharks Ice, a subsidiary of the San Jose Sharks, successfully operates ice skating facilities in Oakland, Fremont and San Jose.

There is widespread support in San Mateo County for a new regional ice-skating facility to replace the now closed Bridgepointe and Belmont rinks. Prior to closing, Belmont Iceland generated over 150,000 visits per year of which over 75% were from San Mateo County residents. Moreover, the "Save the Rink" citizen group, which is advocating for an additional ice rink in San Mateo County, collected over 15,000 signatures in support of its efforts of which over two-thirds were from San Mateo County residents.

Based on attendance figures at the other facilities operated by Sharks Ice, annual attendance at the proposed Regional Ice Skating Center is estimated at over 500,000 visits per year. MIRF estimates, based on the experience at the other three Sharks Ice facilities, that a substantial majority of those 500,000 visits will be made by residents of San Mateo County.

MIRF has agreed to provide an admission discount for holders of San Mateo County Parks Annual Passes and for activities organized by the Sheriff's Activities League.

MIRF will be an innovative public/private venture modeled after successful ice rink development partnerships in Los Angeles and Santa Barbara. The source of funds for the new Regional Ice Skating Center will include a combination of local government grants,

private charitable contributions, and commercial and/or government loans.

At its March 20, 2017 meeting, the San Mateo City Council will be considering a proposed master plan amendment that would eliminate the requirement that the owner of the Bridgepointe Shopping Center, SPI Holdings, maintain the Bridgepoint Ice Rink or a comparable “recreational” facility. With respect to the proposed master plan amendment, SPI Holdings has agreed to pay eight million dollars (\$8,000,000) in connection with the relocation of the ice rink. If this action is approved, the City Council will separately consider appropriating all or a portion of those funds to support the construction of the ice rink facility in Burlingame.

In addition, MIRF is now actively engaged with a number of large potential private donors and is seeking to raise approximately \$5 million from these donors. MIRF believes that active financial participation by the County of San Mateo will be essential to the success of these private fundraising efforts.

For the remainder of the funds required to construct the facility, MIRF is discussing a financing plan with potential construction lenders and equipment financing companies. MIRF already has conditional verbal commitments from two lenders who are willing to make an appropriate construction loan.

#### **DISCUSSION:**

Due to extraordinarily high land values, San Mateo County continues to lose recreational and entertainment facilities including two ice rinks, the former Malibu Raceway, Mel’s Bowl, King’s Bowl, Bay Meadows Racetrack, and many others. The last remaining ice rink in San Mateo County, Ice Oasis in Redwood City, cannot meet the local demand for ice sports and is in potential jeopardy of being sold for housing and/or commercial uses.

Despite the universal profitability of ice rinks in the region, a new rink facility will likely only be built in San Mateo County through a partnership with local governments. The unique opportunity for the City of Burlingame to lease public land, coupled with potential multijurisdictional support from the City of San Mateo and the County, makes a new, modern ice rink with the capacity to serve the needs of county residents possible.

The proposed Regional Ice Skating Center also would create additional demand for hotels in San Mateo County, as a facility with two ice rinks will attract tournaments with participating teams requiring overnight accommodations. According to Sharks Ice, tournaments, competitions, and events held at the San Jose facility were directly responsible for the booking of 4,667 hotel rooms in San Jose during FY 2014-15.

The proposed \$1.25 million grant to MIRF would be subject to, and contingent upon: (i) the City of Burlingame agreeing to lease the 12-acre Golf Center site in Bayside Park in Burlingame for the operation of Regional Ice Skating Center; and (ii) securing the remainder of the required funding to construct the facility.

Approval of this proposal contributes to the County’s 2025 Shared Vision of a Healthy Community by providing enhanced opportunities for recreation. Approval of this proposal also contributes to the County’s 2025 Shared Vision of a Collaborative Community by promoting a regional solution to the lack of recreational ice space.

**FISCAL IMPACT:**

There are sufficient Measure K district-specific funds budgeted in Non-Departmental Services FY 2016-17 Adopted Budget for the \$250,000 District 1 grant. The additional \$1 million grant will come from Measure K reserves.