

## MEMORANDUM

September 15, 2011

TO:

Board of Mayor and Alderman

FROM:

Eric Stuckey, City Administrator Lisa R. Clayton, Parks Director Kristen Corn, Law Department Shauna Billingsley, City Attorney

Vernon Gerth, ACA Community & Economic Development

SUBJECT:

Eastern Flank Battlefield Hall, 1343 Carnton Lane – Facility Management Proposal

### **Purpose**

The purpose of this memorandum is to update the Board of Mayor and Alderman regarding the recent discussions with the Land Trust of Tennessee and the Tennessee Historical Commission concerning the use of the Eastern Flank Battle Hall (former golf clubhouse) in a public-private partnership(s) for the operational services/facility management of the Eastern Flank Battle Hall.

### **Background**

Over the past several months, the various city departments presented the idea of exploring a public-private partnership(s) for the operational services/facility management of the Battle Hall. The City Departments moved forward and spoke with several cities in TN regarding City facility owned but not operated by the municipality. The City of Nashville, Brentwood, Collierville, Kingsport, Johnson City, etc...all have some type of agreement with a private and/or non-profit organization to operate or cater within a municipal facility.

A request from the July work session discussion was to receive approval of such a concept from the two entities that have ownership along with City of Franklin within the existing conservation easement (Land Trust of Tennessee & the Tennessee Historical Commission (THC)). The Land Trust deferred these specific questions to the THC due to it being a facility where they are more concerned about the authenticity of the land.

The following questions & responses provided by the Land Trust of TN and Tennessee Historical Commission:

• (City: Question 1) While the city purchased a portion of the battlefield, a former clubhouse for golfers is still standing today. The City's Parks Department oversees the rental portion of the facility for non-profits meetings/events, private citizen's weddings/events and city functions. However, due to the amount of rentals, the City Parks Department is evaluating whether to enter into a contract with a commercial catering/special event facility management business to operate the facility for a profit. Several communities in TN currently allow this type of contractual service which leads to ask The Land Trust & The State Historical Commission if this type of contract violates the conservation easement in any way? The City is evaluating whether to allow a caterer/special event facility management company to use the facility as a prep-kitchen/event space or allow a private entity to construct a commercial kitchen onsite within the old kitchen and cater onsite and use the facility as their commercial kitchen for offsite catering events as well for a profit.

(THC's Response to Question 1): The Tennessee Historical Commission office inquired about the Easement with TDEC legal staff. A contract to use the building as a commercial facility will violate the easement. Ms. Kirk (legal staff) states: The proposal to contract for the Club House to be used as a commercial facility directly conflicts with the conservation easement. Section 4 Prohibited Acts prohibits commercial use of the property. That includes the Club House. The easement does not require that the Club House be used as a visitor center, since there is a visitor center next door, but that does not relieve the City from the prohibition of commercial use. A for profit operation is a commercial operation.



# MEMORANDUM

• (City's Question 2) The City understands from a previous conversation that contracting the facility as a commercial private business will not be an alternative as a private business operating as a facility manager will violate the current existing conservation easement. The city currently rents the facility space inside and around the facility (former pool deck) for special events on the inside such as the following: birthday parties, graduation parties, weddings, fund raisers for local non-profits, leadership team building meetings for private businesses in town, reenactment events (headquarters on the inside), city/county department trainings. When the City rents the facility, we charge a fee to recoup its cost and do not actually make a profit. By providing this type of facility for our community, are we as a city violating the conservation easement since we do not make a profit?

(THC's Response to Question 2): Based on this description, this is not commercial use. These activities are consistent with providing a community service.

• (City's Question 3) If the city desired to contract with someone due to existing Parks Staff not having the time to promote, market and utilize the facility for the City (working on behalf of the city) for events listed above and then paid a contracted service fee for their efforts, would this violate the conservation easement?

(THC's Response to Question 3): Something in the nature of a management contract would probably be okay. The city would be contracting and paying for a service. If the contractor is applying fees that are set by the City, I think that would be okay. But the contractor would be covered by the same prohibition on commercial use. The contractor could not make arrangements that allow a commercial operator to occupy space. The contractor cannot operate the property as its business, though it would not be unreasonable to the contractor to have an office to work from when at the building.

### **Options**

Several options to consider are as follow:

- Continue services through the Parks Department's Programming Division with existing personnel.
- Hire a new full-time or part-time employee within the Parks Department to be the full-time facility manager for the property.
- Contract with a facility management/special event (Private or Non-Profit) company to program the facility with facility use fees collected by the City.

#### Recommendation

In order to allow for natural competition, city staff recommends allowing time to develop a Request for Services (RFS) once one or two specific options are discussed and decided upon by the Board of Mayor and Alderman.