

# UPDATE REGARDING MOU WITH BAY CLUB COMPANY FOR THE CONSTRUCTION AND OPERATION OF AN AQUATIC FACILITY

SEPTEMBER 2, 2025

CITY COUNCIL MEETING



\*Note: This PowerPoint presentation is intended solely as a visual aid to an oral staff presentation of an agenda report topic. In the event of any differences between the presentation and the agenda report, the information in the agenda report prevails.\*

# PURPOSE

Provide an update and discuss potential next steps regarding the existing MOU with the Bay Club Company for the construction and operation of an aquatic facility.



# BEGG POOL BACKGROUND

- Begg Pool is reaching the end of its useful life.
  - Significant upgrades required.
- Surveys were conducted in 2022 and 2024 to help inform the City's decisions related to Begg Pool.
- Key input included requests for more water to serve community needs.



# 2022 AQUATICS SURVEY – INTEREST AND FUNDING



## Interest in a new aquatics center

Survey indicated respondents were:

Very interested (35%)

Somewhat interested (21%)

Slightly interested (11%)



The same support did not exist for strategies to fund renovations or a new facility at the Begg Pool site.



Strategy with most support: increase fees paid by those who use City aquatics and recreation facilities and programs.



Little support for increasing local property taxes or local sales tax to help fund the project.



# BEGG POOL MODERNIZATION STUDY FINDINGS

- May 7, 2024 – City Council received report
- Report provided two options to modernize the pool
  - Option 1 – Modernize existing pool and buildings: \$27.9M
    - Annual operating cost of \$800K
  - Option 2– New construction of two pools and buildings: \$40.3M
    - Annual operating cost of \$1.8M



# MAY 7, 2024 DIRECTION

- Direction: Hire a consultant to conduct a poll regarding community priorities for funding Begg Pool upgrades.
- Action: A statistically valid survey was conducted in 2024 as part of research related to a possible ballot measure establishing a one-half cent sales tax to fund general city services, such as repairing/upgrading community facilities.
  - Begg Pool did not rank as highly as other possible upgrades/funding priorities in the community survey.



# MAY 7, 2024 DIRECTION (CONT'D)

- Direction: Research costs associated with ensuring the pool remains safe for the next two to three years.
- Action: Staff has been obtaining repair quotes for the top three priorities:
  - Plumbing
  - Perimeter concrete pool deck and drainage
  - Replacement of perimeter site fencing
  - Plumbing repairs are projected to begin on September 2, 2025



# FUNDING FOR UPGRADES

- \$825,178 included in the FY 2026 CIP.
- Bay Club to donate up to \$1M for upgrades through the LoveMB Foundation regardless of whether the new aquatics facility proceeds.
- Upgrades do not address many facility deficiencies noted in the study.
- Future equipment failures beyond the repairs could impact operations.



# BAY CLUB MOU

- May 7, 2024
  - Provided direction that included continuing discussions with Bay Club regarding their proposal for a new community pool near the area of the City's Village Soccer Field property.
- August 20, 2024
  - Approved a MOU with Bay Club regarding:
    - The intent to construct and operate a new aquatic facility and
    - A related project (Up to \$1 million to partially fund a solution for Begg Pool)



# PROPOSED PROJECT SITE



# COMPLETED ITEMS

- Phase I Environmental Report
- Title Report
- Solved ingress/egress issues to Manhattan Village Senior Villas after preliminary community meetings with Senior Villas.
  - Initial conceptual design was modified after those meetings



# POOL PROGRAMMING

- City's Initial Request:
  - Dedicated time to expand City programming
- All programming and services will be provided directly by Bay Club and not the City.
- Bay Club will have control over revenue streams, operating costs, and scheduling.
- Priority access for residents for daily use and programs. No membership to Bay Club required.
- Suggested daily use rate of \$15.00 per user.



# POOL DETAILS

## Confirmed Maximum Pool Depth

- 3.5 feet - small pool
- 6 feet - large pool

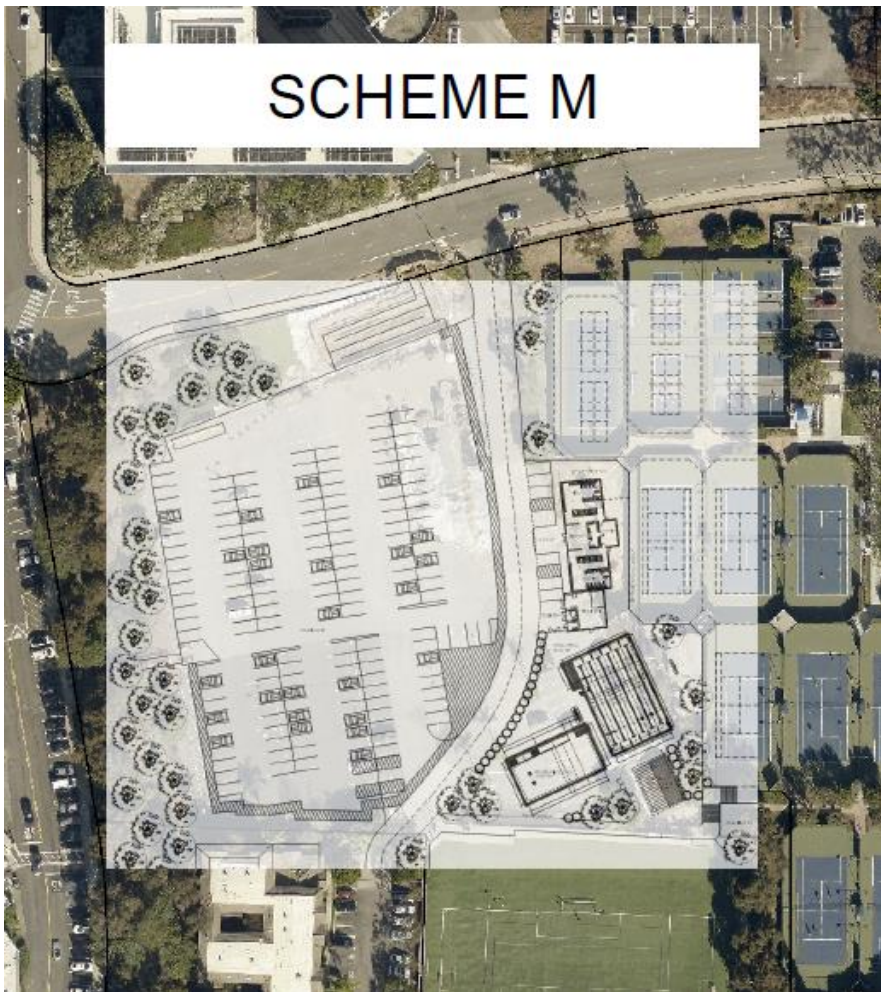
## Conceptual Designs

- Two draft designs provided:
  - Scheme M – 2 pools
  - Scheme N – 1 pool
- \$8 to \$12 million estimated for project costs.

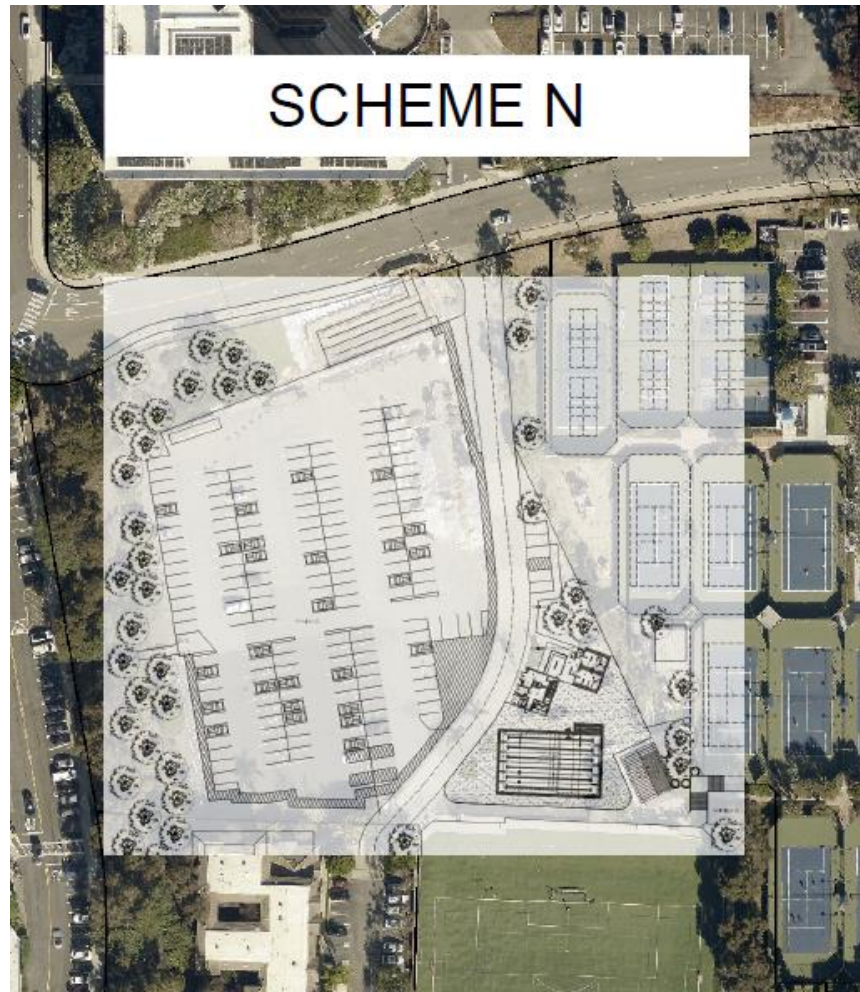


# DRAFT CONCEPTUAL DESIGNS

SCHEME M



SCHEME N



# BAY CLUB FINANCIAL CONSIDERATIONS

Items with Financial Impacts  
for Bay Club

Parking Study

Entitlements/  
Agreements/  
CEQA

Potential  
Retaining Wall

Building Permits



# ADDITIONAL CONSIDERATIONS

## Monitoring Wells

- Two wells that observe and assess groundwater.
- Approximately 80-100 feet deep
- Can be relocated by Honeywell at Honeywell's expense
- Downtime estimated to be a few weeks
  - Potential impacts to parking and field access, depending on new locations.



# ADDITIONAL CONSIDERATIONS (CONT'D)

## Benefits

- Residents would have a new aquatics option available with priority access
- City would not incur any construction or operating costs
- Could decrease demand on Begg Pool

## Drawbacks

- City would not be in control of programming at the site
- Suggested user fee is higher compared to current public pool rates
- Potential parking challenges



# NEXT STEPS

If directed to move forward, anticipated next steps are:

- Update the existing MOU, if required
- Conduct parking study
- Bay Club to submit a Planned Development amendment and initiate CEQA review
- Discussion of lease terms
- Potential relocation of monitoring wells
- Complete additional public outreach



# RECOMMENDATION

Staff recommends that the City Council discuss and provide direction whether the City should continue to proceed with efforts to advance the proposed project.



