



## Staff Report

**Agenda Item #:** {{section.number}}B

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### Yountville Town Council Staff Report

**DATE:** July 16, 2024

**TO:** Mayor and Town Council

**FROM:** Brad Raulston, Town Manager

**PREPARED BY:** Samantha Holland, Parks & Recreation Director

#### **RECOMMENDATION**

Adopt Resolution Number 24-4294 authorizing the Town Manager to execute a Use Agreement with Donovan's Wellness Solutions LLC for operation of a public fitness gym at the Yountville Commons site.

#### **DISCUSSION/BACKGROUND**

The residents of Yountville have long shared the feedback of the need for a fitness gym/wellness center to operate in Town after the Yountville Fitness Center closed in 2015. In the 2023 Parks and Recreation Master Plan, access to a fitness facility/gym was included as a Parks and Facilities recommendation in the 5-year plans as a long-term goal.

When the Town purchased the Yountville Elementary School property in April of 2024, the potential for the Town to include a wellness center including a fitness gym in the interim uses was considered. During the open house held on March 16, 2024 at the Yountville Commons site, the wellness center/fitness center was again a reoccurring suggestion from attendees.

Currently, residents travel primarily to Napa to access indoor fitness facilities that have workout equipment like weight machines, cardio machines, and group classes. Donovan's Wellness Solutions approached the Town with a business proposal in early 2024 originally focusing on the potential of using an existing space at the Community Center as a gym. After analysis of the site constraints of the Community Center and the potential acquisition of the YES property, Town staff and DWS began discussing how the YES site might become a hub for a wellness center should the Town purchase the property.

Before you this afternoon is a Use Agreement with Donovan's Wellness Solutions LLC. "DWS" is led by founder Donovan Almond who was voted Napa Valley's Best Personal Training five times and provides similar services in Calistoga for residents and visitors. Calistoga Fit has been successfully in operation since 2015 providing services for the community and access to an indoor gym with state-of-the-art equipment and studio classes as well as personal training and wellness coaching. Donovan has also worked as a consultant for Auberge Resorts, Solage Hotels, and the Four Seasons.

Staff has spent considerable time with Donovan designing a model that will both serve our residents and visitors as well as integrate into the existing spaces at the Yountville Commons site. The design includes tenant improvements that will be funded by the Town and include new flooring, paint, wall treatments, electrical infrastructure, and furniture. The investment from the Town is estimated at \$190,000. The tenant improvements were included in the factoring of the budget adjustment that was heard prior to this item on the agenda and are

further outlined in the attachments.

The Use Agreement with Donovan's Wellness is a five-year agreement for exclusive use of the rooms labeled classrooms 1, 2, 3, 4, and 6 as well as resource center, AV workroom, and media storage in the attached plan which was previously the school library and 6 classrooms. The wellness center will use the shared restrooms off the Yountville Commons Hall, previously the multi-use room, as well as shared use of Classroom 5 as agreed upon with the Town. DWS will also have use of outdoor areas as agreed upon and scheduled with the Town. The Town will maintain ownership of all site improvements and furnishings that are included in the original designs. This includes the lobby and outdoor furniture, mirrors, flooring, and existing built-in storage.

DWS will be responsible for:

- The purchase or lease and maintenance of all exercise and office equipment for wellness center.
- Basic cleaning between scheduled weekly cleaning provided by the Town custodial contractor.
- Repair of damage caused by the user.
- Phone service.
- Internet and cable service.
- Liability insurance.

TOWN will be responsible for:

- Tenant improvements as outlined.
- Custodial services twice per week including wellness center and shared restrooms facilities.
- Parking lot maintenance and repair.
- All outdoor building maintenance and repair.
- General indoor facility maintenance and repair of damage not caused by user.
- Utility costs including water, shared trash and recycling, sewer, gas and power.
- Marketing support as outlined in the agreement.

The proposed model includes but will not be limited to a weight room, cardio room, and a yoga/fitness space. The operational hours are proposed to be Monday – Thursday from 7 AM – 7 PM, and Friday – Sunday from 8 AM – 2 PM. The pricing structure will include a Yountville resident fee scale, a Yountville business/employee fee scale, and a Yountville resident senior fee scale as well as a general public fee and drop-in fees. There may also be a one-time initiation fee.

DWS will pay \$1 per year license fee to the Town until the monthly operating revenue meets or exceeds the break-even point for three consecutive months. The break-even point is considered met when revenue from memberships, drop-ins, group exercise classes, and on-site personal training cover the costs of all pre-opening expenses, capital expenses, month-to-month expenses for operating the site, and a management fee of \$12,500 per month which increases 3% each year of the agreement. When the break-even point is reached, the remaining revenue will be paid to the Town on a quarterly basis. DWS will submit quarterly profit and loss statements to the Town for the entirety of the agreement.

## **ENVIRONMENTAL REVIEW**

Not Applicable

## **FISCAL IMPACT**

Is there a Fiscal Impact? Yes

Is it Currently Budgeted? Yes

Where is it Budgeted? Capitol Fund CF-0046

Is it Mandatory or Discretionary? Discretionary

Is there a Staff Resource Impact? Nominal

**STRATEGIC PLAN GOAL**

Is item Identified in Strategic Plan? Yes

If yes, Identify Strategic Goal and Objective. **Quality of Life:** The Town enhances the livability of Yountville by providing well-maintained public facilities, parks, and trails, and quality programs and events. **Responsible Fiscal Policy:** The Town maintains its fiscal health through policies designed to maximize economic opportunities, manage expenses, and ensure prudent reserves.

Briefly Explain Relationship to Strategic Plan Goal and Objective. By offering access to a local fitness gym and wellness center, we will improve the quality of life for our residents. By working with an existing business entity to provide those services, the Town is making a fiscally responsible decision to provide those services without the addition of full-time staffing.