

Legislation Text

File #: 2330, **Version:** 1

CC MEETING: November 3, 2015

DATE: October 27, 2015

TO: Leonard Martin, City Manager

FROM: Erin Rinehart, Assistant City Manager and Scott Whitaker, Parks and Recreation Director

Consider A **Resolution Authorizing The City Manager To Amend The Interim Management Services Agreement With Eagle/Arcis Golf For Course Maintenance And Management** In An Amount Not To Exceed \$2,372,693.

BACKGROUND:

Indian Creek Golf Course has been closed since May 28, 2015, due to flooding. An additional flood event on June 16 resulted in both courses remaining closed. On October 13, 2015, the City Council authorized the City Manager to negotiate a managed service contract with Eagle/Arcis Golf for the operation of the Lakes Course and basic maintenance of the Creek Course.

In October, the City, an independent Agronomist, and Eagle/Arcis Golf re-evaluated the costs and timeline to reopen the Creek Course for play. The non-recurring capital expense to reopen the Creek Course is between \$690,000 - \$900,000, depending on the turf response to aerification and other fairway repair methods. Several repair/maintenance items would need appropriate bids/quotes to get a precise cost and to fulfill state bid law requirements, which is also necessary to potentially qualify for FEMA reimbursements. The City is currently submitting all necessary documentation to pursue FEMA reimbursements, however, there is no guarantee when or how much FEMA will reimburse. Eagle/Arcis Golf would work with the City to complete the Creek Course repairs in the winter and spring growing season with a goal to open the Creek Course for play in summer 2016. The opening date for play on the Creek Course is highly dependent on the response of the turf to various methods of fairway repair and weather. The estimated repair work does not include any future flood mitigation for the Creek Course.

The operating expense and management fee would include Lakes and Creek Course maintenance, supplies, personnel, administrative cost, and insurance. The recurring annual costs for the remainder of 2015 and 2016 for BOTH the Lakes and Creek Courses are listed below.

Eagle/Arcis Maint. Nov- Dec 2015	\$160,000
Eagle/Arcis Operating 2016	\$2,212,693
Total Amount Paid to Eagle/Arcis Golf	\$2,372.693
Estimated Revenue (April-Dec 2016)	\$1,437,710
*Total expense less revenues:	(\$934,983)

*The total is dependent on the revenues and may increase/decrease if estimated revenues do not meet

projections or exceed projections, or if weather impacts the play next year. It is also dependent on the opening date of the Creek Course. Also, it should be noted that the not to exceed quote of \$2,372,693 is based upon normal operations. Severe weather or other unforeseen conditions beyond the control of Eagle/Arcis Golf or the City of Carrollton, could impact that number.

In addition to the fees for operation and maintenance of the Lakes and Creek Course, the City would be responsible for direct expenses, such as utilities, a cart lease, facility maintenance and capital improvements.

Cart Lease	\$136,000
2015 (Nov/Dec) Est. City Operating	\$25,000
2016 Estimated City Operating	\$172,000
Estimated Ongoing Capital Maintenance	\$100,000
*Total	\$433,000

***The recurring expenses listed above do not include the overhead allocation to the General Fund of \$334,158, or the remaining debt service payment for 2016 of \$407,628 and the payment for 2017 of \$373,661.**

FINANCIAL IMPLICATIONS:

The Eagle/Arcis fee for maintenance and operation of the Lakes and Creek Course for November 2015 through December 2016 would be an amount not to exceed \$2,372,693. In addition to the fees paid to Eagle/Arcis Golf the City would be responsible for the direct expenses listed above. In the event that the decision is made to reopen the Creek Course, the City will bid/quote the repair work, which is estimated to be \$690,000-\$900,000 depending on the turf response to aerification and other fairway repair efforts.

STAFF RECOMMENDATION/ACTION DESIRED:

If the City Council desires to open the Creek Course at Indian Creek Golf Course in summer 2016, the staff recommends entering into a contract with Eagle/Arcis Golf for an amount not to exceed \$2,372,693.