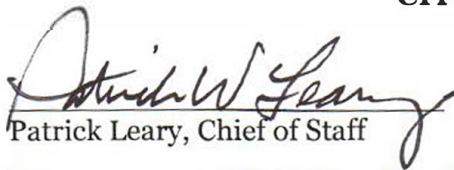


JACQUELINE M. BISKUPSKI
Mayor



LISA SHAFFER
Director

CITY COUNCIL TRANSMITTAL


Patrick Leary, Chief of Staff

Date Received: May 7 2018
Date sent to Council: May 14 2018

TO: Salt Lake City Council
Erin Mendenhall, Chair

DATE: May 9, 2018

FROM: Lisa Shafer, Public Services Director



SUBJECT: Golf Course Management and Development RFI

STAFF CONTACTS: Nole Walkingshaw, Public Services Deputy Director, Administrative Services Director, nole.walkingshaw@slcgov.com

DOCUMENT TYPE: Information Item

RECOMMENDATION: Review for consideration as a part of 2019 budget

BUDGET IMPACT: none

BACKGROUND/DISCUSSION:

On December 6, 2017 the City issued a Request for Information ("RFI") to obtain information on golf course management operations and course development investment options and information on companies that provide these services. The attached summary memorandum discusses our findings and opportunities. To review the full RFI, please see the attachment.



MEMORANDUM

OFFICE OF THE DIRECTOR
PUBLIC SERVICES DEPARTMENT

TO: Patrick Leary
Chief of Staff, Mayor's Office

FROM: Nole Walkingshaw
Deputy Director, Public Services Department

DATE: April 9, 2018

RE: Golf Course Management and Development RFI

BACKGROUND/DISCUSSION:

On December 6, 2017 Salt Lake City Corporation (the "City") issued a Request for Information ("RFI") to obtain information on golf course management operations and course development investment options and information on companies that provide these services. To review the full RFI, please see the attachment.

The RFI stated that the City is interested in the potential of many of the traditional forms of golf course management service and course development options, as well as innovative approaches.

The RFI stated that the City will use the information obtained from the RFI process to evaluate the practicability and the desirability of partnering with golf course management companies to improve the short and long-term condition, value, service, and community benefit of City-owned golf course properties.

The City operates and maintains seven full-service golf courses at six locations in the Salt Lake City area. The golf courses are considered as some of the highest rated and most affordable public golf courses in the country. The seven golf courses are at the following six locations.

Bonneville Golf Course (18 holes) 954 Connor Street, Salt Lake City

Forest Dale Golf Course (9 holes) 2375 South 900 East, Salt Lake City

Glendale Golf Course (18 holes) 2100 South 1640 West, Salt Lake City

Mountain Dell (36 holes) I-80 Exit 134, Parley's Canyon, Salt Lake City

Nibley Park Golf Course (9 holes) 2730 South 700 East, Salt Lake City

Rose Park Golf Course (18 holes) 1386 N. Redwood Rd., Salt Lake City

Information regarding the City's golf courses is accessible at www.slc-golf.com.

The City's golf courses are operated as an enterprise fund where revenue supports the operational and maintenance expenses, capital improvement costs and any debt that may be incurred by the golf courses. The City desires to maintain and manage the golf courses in a fiscally responsible manner so that user fees fund the daily operational and maintenance costs and long-term capital improvement projects to keep the facilities attractive, functional and competitive with the local golf market, and to industry standards.

A priority of the City is to provide high-quality golf course services that benefit patrons, the public, and the communities served via an enhanced golfing experience and growth of the long-term asset value of the City-owned golf courses. The entire City Golf enterprise fund supports 1,006 acres of publicly owned open space, and is home to over 6,000 trees.

RESPONSE SUMMARY:

The RFI response period closed on January 17, 2018, and the City received 10 responses. It is important to note that there are strict non-disclosure rules that apply to the RFI process. Information received or delivered by a government entity because an RFI is deemed a protected record under GRAMA and, therefore, the names of people or firms and the subject matter of any of their submissions to the RFI should be kept confidential and not be divulged. The details of these rules can be reviewed by visiting Utah State Code Section 63G-2-305. To maintain compliance with these rules, City staff has not formally or informally responded to the submitters with updates or questions.

A review committee staffed by the Public Services Department, Golf Division and City Council Staff reviewed and discussed the submissions. The submitted responses were generally aligned to the scope outlined in the RFI, eight of the 10 responses were for private management of the golf courses and two were for other optional public/private partnerships. Based upon the review, the Administration determined that it may be in the best interest of the City to prepare two Requests for Proposals ("RFP") which investigate the potential for public/private partnerships at two golf course locations. The lead purposes for the RFP's will be to: 1) to create partnerships that increase revenue and 2) diversify the opportunities to the public to utilize these public spaces. Golf and Salt Lake City Public Lands are discussing potential for trails integrated within the golf courses as extensions of neighboring parks, with the potential for these trails to accommodate community running events and be open to the public. The potential for broader integrated public access and the existing non-golfer public access to the public courses raises questions about how/if the Golf Enterprise Fund might be "credited" for the broader access. Examples might be a percentage of maintenance covered for trails and/or other non-golf amenities located on the golf course based on an acreage or use type, or general fund contributions for snow days when the courses are open to the public for cross country skiing or other winter activities (Sledding at golf courses is not encouraged as it can harm the grounds through compression.). These conversations and decisions can develop as the City furthers its exploration of a more blended access model.

The two courses being considered for the initial RFP's are Nibley Park and Rose Park Golf Courses. Two overarching objectives of the RFP's will be to increase revenue and increase the diversity of access. The Nibley Park RFP will be looking at a potential partnership for an improved driving range and restaurant/club house or similar improvements. The Rose Park RFP will be looking at how the City might improve ongoing operation and maintenance costs by broadening the overall concept of the golf course to include a multitude of outdoor community recreational and leisure activities. The course would potentially offer traditional golf in addition to improved facilities; free golf practice facilities; expanded

golf leagues and low-cost player development opportunities; low fee(s) community golf and amenities; retail merchandising; rentals for golf, trails, biking, and more.; café style food and beverage services; a multi-use complex and clubhouse; , a trail staging area and trail “watering hole”; an integrated trails and river corridor with river access and a canoe/raft launch area; and repurposed maintenance facility land on Redwood Road. Rose Park is currently supporting disc golf on the course in concert with traditional play. Disc players pay standard green fees and cart rentals. Currently Salt Lake City Public Lands is working with a consulting team to develop a new Jordan Par 3 Park and Rose Park Course Open Space; Recreation Use and Program Management Plan. This plan is using public feedback from community engagements and analysis supported by the Parks Needs Assessment draft. The Plan will present design concepts and best practices management recommendations. Our intended publication for the plan is set for late Fall 2018.

Included in the Mayors 2019 Budget is \$498,500 in CIP funding for the development of a Multi-use loop trail for public access at Rose Park Golf Course.

It is our intention to begin drafting the scope for the Nibley Park RFP during the summer of 2018, with a response period ending in the winter of 2018. We will wait until there has been a review of the final recommendations from the Jordan Par 3 Recreation Use and Program Management Plan before drafting the RFP for the Rose Park Golf Course. This approach ensures that the implementation efforts are consistent with the community objectives.

To assist with an understanding of management options, a table of various operation models from the 2015 Analysis of the Golf Fund of the City of Salt Lake City, prepared by Matrix Consulting Group can be reviewed. The model for approaching the RFP’s that the City prefers is most like the Hybrid Model outlined below.

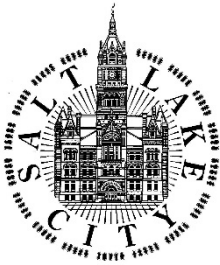
Description of Operating Models Prepared by Matrix Consulting Group			
Operating Models	Description	Contractor Responsibilities	City Responsibilities
City Operation Model	The City administers golf course operations in-house using full-time and seasonal part-time city employees to maintain and operate the courses.	<ul style="list-style-type: none"> The City may contract with outside concessionaires to provide specific elements of the operation such as food and beverage services. (See Concession Agreement section.) 	<ul style="list-style-type: none"> Provides day-to-day operations of course including maintenance and golf course amenities Retains control over all policies and decisions Operation staffed by City employees Responsible for all operating funds including administrative overhead costs and capital improvement funds Receives all revenues generated from the golf course operation

<p>Concession Agreement Model</p>	<p>The City grants an outside contractor a license to provide all or a portion of the day-to-day operations of the golf course. Length of agreement varies based on selected services.</p>	<ul style="list-style-type: none"> • Responsible for daily operations of selected services • Responsible for all operating costs • Responsible for hiring and training personnel • Retains all revenues generated from the operation • May be responsible for golf course maintenance 	<ul style="list-style-type: none"> • Depending on services contracted, the City may retain substantial responsibility for portions of the golf course operation • Responsibility for capital improvements • Receives minimum rental payment and a percentage of gross revenues • Retains control over fees and operating policies • Retains control over budget • Maintains contract compliance
<p>Management Agreement Model</p>	<p>The City contracts on a fee-for-service basis with a professional golf management firm to provide day-to-day management of the golf course operations. Contract is generally for two to five years.</p>	<ul style="list-style-type: none"> • Provides professional management services • Responsible for daily operations • Responsible for hiring and training personnel • Responsible for human resource functions, procurement and marketing • Prepares annual operating budget • Collects and accounts for all revenues • Responsible for all operating expenses 	<ul style="list-style-type: none"> • Retains greatest control over operating decisions • Provides city greatest potential for revenue • Allows for most input from city • Retains all revenues • Reimburses the management firm for personnel costs and direct expenses • Pays firm a fixed management fee plus a predetermined percentage of revenues based on performance targets • Retains responsibility for maintenance and capital improvements of the golf courses • Retains control over budget • Maintains reserve fund for capital improvements • Maintains contract compliance

Operating Lease Model	The City establishes a long-term ground lease of the golf course property to a private party who provides overall management and administration of the facilities. Lease agreements range from 15 to 30 years.	<ul style="list-style-type: none"> • Responsible for course maintenance • Responsible for daily golf operations • Responsible for all capital improvements to the facilities • Contributes to a capital improvement reserve fund • Retains revenues generated from operations • Provides all maintenance equipment, clubhouse furnishings and licenses • Reserves right to raise fees • Can reduce service levels • Bears financial risk 	<ul style="list-style-type: none"> • Removes City from daily operations • Receives rental payment from the lessee • Retains least control over golf course operations • Provides least amount of revenue
Hybrid Model	The City creates a model consisting of some combination of city operations, concessionaire agreements, management agreements and/or maintenance contracts to manage and administer golf course operations.	<ul style="list-style-type: none"> • Varies depending on components of agreement • Most common hybrid model includes a concession agreement for golf course operations. 	<ul style="list-style-type: none"> • Varies depending on components of the agreement • Most common hybrid model include City retention of golf course maintenance responsibilities

Attachments:

- A) Request for Information, RFI No. SLCI18040, **GOLF COURSE MANAGEMENT AND DEVELOPMENT**



Salt Lake City Corporation

Request for Information

RFI No. SLCI18040

GOLF COURSE MANAGEMENT AND DEVELOPMENT

Golf Division

Rev. December 6, 2017/ds

INFORMATION & REQUIREMENTS

I. BACKGROUND AND OBJECTIVE

Salt Lake City Corporation (the "City") is issuing this Request for Information ("RFI") to obtain information on golf course management operations and course development investment options and information on companies that provide these types of services.

The City is interested in the potential of many of the traditional forms of golf course management service and course development options, as well as innovative approaches. Some of these include: turn-key management and operation of some or all of proposed golf courses; leasing golf courses to private operators; public/private capital investment partnerships into courses and/or facilities (including those that might be developer-led); operations and management of golf course functions such as pro shops, food and beverage, maintenance, etc.); adding and/or integrating additional services and/or accessibility to golf course land such as trails, additional recreational services, park amenities, etc.; managing individual aspects of multiple golf course system operations such as administration, marketing, sales/promotions, accounting/finance; combining golf course services with other private or public services such as fitness centers, restaurants, and tennis facilities; etc.

The City will use the information obtained from the RFI process to evaluate the practicability and the desirability of partnering with golf course management companies to improve the short and long term condition, value, service, and community benefit of City-owned golf course properties.

The City operates and maintains seven full-service golf courses at six locations in the Salt Lake City area. The golf courses are considered as some of the highest rated and most affordable public golf courses in the country. The seven golf courses are at the following six locations.

Bonneville Golf Course (18 holes)	954 Connor Street, Salt Lake City
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Glendale Golf Course (18 holes)	2100 South 1640 West, Salt Lake City
Mountain Dell (36 holes)	I-80 Exit 134, Parley's Canyon, Salt Lake City
Nibley Park Golf Course (9 holes)	2730 South 700 East, Salt Lake City
Rose Park Golf Course (18 holes)	1386 N. Redwood Rd., Salt Lake City

Information regarding the City's golf courses is accessible at www.slc-golf.com.

The City's golf courses are operated as an enterprise fund where revenue is expected to cover operational and maintenance expenses, capital improvement costs and any debt that may be

incurred by the golf courses. The City desires to maintain and manage the golf courses in a fiscally responsible manner so that user fees fund the daily operational and maintenance costs and long-term capital improvement projects to keep the facilities attractive, functional and competitive with the local golf market, and to industry standards.

A priority of the City is to assure high-quality golf course services that benefit patrons, the general public, and the communities served via an enhanced golfing experience and to grow the long-term asset value of the City-owned golf courses.

This RFI is issued for information gathering purposes only. A contract will not be awarded under this process.

II. REVIEW OF SUBMISSIONS

Submissions will be reviewed by a City-appointed committee. The review process may include interviews and discussions with respondents to gain additional information and insight into the various types of golf course management services.

Information obtained from the RFI process will be used by the City to evaluate the feasibility and desirability of using the services of a golf course management firm or firms. If the City determines that it is interested in contracting for services related to its golf courses, the City will solicit the service(s) under a Request for Proposal.

III. RFI SUBMISSION

Submissions are limited to a total of 20 pages. Single sided pages are to be used for written responses. Attachments (such as lists, photographs, statistics, charts, etc.) must be single sided and will be counted as part of the 20 page limit. The Response Cover Sheet of Attachment 1 will not be counted in the 20 page limit.

- ☐ Sign the Response Cover Sheet (*ATTACHMENT 1*).
- ☐ Submit all required information as outlined in the Content of Submission section of *ATTACHMENT 1*.
- ☐ Submit your response via email to tiffany.rydalch@slcgov.com
- ☐ **Submission Deadline: 10:00 am, Wednesday, January 17, 2018.** Responses received after the 10:00 am deadline may not be considered.

IV. ADDITIONAL INFORMATION

The City's **designated contact person** for questions or additional information concerning the services specified in this Request for Information, or for additional information concerning Request for Information procedures and regulations (i.e., submission deadline, forms required, etc.), or Americans with Disabilities (ADA) accommodations, is tiffany.rydalch@slcgov.com in the Purchasing and Contracts Management Division: telephone (801) 535-6347; TDD (801) 535-6021.

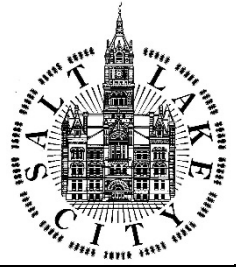
All questions requesting clarification or interpretation of any section or sections of this RFI must be submitted on-line through the SciQuest Utah Public Procurement Place website (UPPP) prior to submission deadline.

<https://bids.sciquest.com/apps/Router/PublicEvent?CustomerOrg=StateOfUtah>

ATTACHMENT 1

Response Cover Sheet
RFI No. SLCI18040

REQUEST FOR INFORMATION **GOLF COURSE MANAGEMENT SERVICES**



The undersigned, having carefully read and considered the Request for Information for golf course management services, does hereby submit this information for the City's consideration.

RESPONDENT

Company Name: _____

BY: _____
(Signature of authorized representative) (Please Print or Type Name)

PRINCIPAL OFFICE ADDRESS:

Street Address _____

City _____ County _____

State _____ Zip Code _____

Telephone (____) _____ FAX (____) _____

Email Address _____

**ALL RESPONSES MUST INCLUDE THIS COVER SHEET AND WRITTEN RESPONSES TO THE
CONTENT OF SUBMISSION ITEMS LISTED ON THE NEXT PAGES**

CONTENT OF SUBMISSION

GOLF COURSE MANAGEMENT SERVICES

Instructions: When preparing your response, reply to each of the following content items in the order listed. Please restate each numbered point listed below followed by your response in full, narrative sentences and provide any requested materials.

I. GOLF-COURSE-RELATED SERVICE OPTIONS

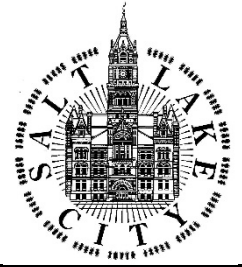
- A. Provide a general description of the type or types of golf-course-related service(s) your firm provides. Include a description of how your firm presents golf-course-related services (i.e., are services offered under a menu approach, under a bundled service approach, etc.).
- B. Regarding the City's golf courses, provide recommendations your firm may have regarding the most advantageous type or types of golf-course-related services your firm provides.
- C. Identify or recommend any other innovative services related to golf course services that might be applicable to Salt Lake City golf course properties.

II. COMPANY QUALIFICATIONS

- A. Provide a general overview and history of your company, number of years in business in providing golf-course-related services, number of employees, corporate headquarters location, names of the firm's chief officers, and where you do business.
- B. Provide a general overview of your company's experience and qualifications in providing golf-course-related services for similar customers with emphasis on municipal golf courses. Include information on public and private golf course entities currently under contract with your firm.
- C. List relevant licenses or certificates held by your company.

ATTACHMENT 2

General RFI Instructions & Information



I. RESPONSE INFORMATION

- A. Cost of Developing Responses. All costs related to the preparation of the response and any related activities are the sole responsibility of the respondent. The City assumes no liability for any costs incurred by respondents throughout this process.
- B. Response Ownership. All submissions, including attachments, supplementary materials, etc., shall become the property of the City and will not be returned to the respondent.

II. PUBLIC RECORDS

All responses, inquiries, and correspondence relating to this RFI and all submissions to the City, as part of the RFI or otherwise, shall become the property of the City when received by the City and may be considered public information under applicable law. The City is subject to the disclosure requirements of the Government Records Access and Management Act, Title 63G, Chapter 2, Utah Code Annotated ("GRAMA"). The City generally considers responses and all accompanying material to be public and subject to disclosure. **Any material considered by the respondent to be proprietary must be accompanied by a written claim of business confidentiality containing a concise written statement of reasons supporting the claim. Blanket claims that the entire submittal is confidential will be denied.** The City cannot guarantee that any information will be held confidential. If the respondent makes a claim of business confidentiality, the City, upon receipt of a request for disclosure, will determine whether the material should be classified as public or nonpublic, and will notify the respondent of such determination. The respondent is entitled under GRAMA to appeal an adverse determination. **The City is not obligated to notify the respondent of a request to see the respondent's submittal, and will not consider a claim of confidentiality, unless the respondent's claim of confidentiality is made in a timely basis and in accordance with GRAMA.**