

Portland, Oregon

## FINANCIAL IMPACT and PUBLIC INVOLVEMENT STATEMENT For Council Action Items

(Deliver original to Financial Planning Division. Retain copy.)

1. Name of Initiator John Zoller	2. Telephone No. 823-5104	3. Bureau/Office/Dept. Parks & Recreation
4a. To be filed (hearing date): April 23, 2014	4b. Calendar (Check One)  Regular    Consent    4/5ths X	5. Date Submitted to Commissioner's office and FPD Budget Analyst: April 10, 2014
6a. Financial Impact Section: <input checked="" type="checkbox"/> Financial impact section completed		6b. Public Involvement Section: <input checked="" type="checkbox"/> Public involvement section completed

**1) Legislation Title:** \*Amend contract with KemperSports Management, Inc. for golf management services at Colwood Golf Course (Ordinance; amend Contract No. C53062)

**2) Purpose of the Proposed Legislation:** Authorize an agreement with KemperSports Management, Inc. (KSM) for two years in order to provide management services at Colwood Golf Course until redevelopment of the site can be completed and the business elements stabilized.

**3) Which area(s) of the city are affected by this Council item? (Check all that apply—areas are based on formal neighborhood coalition boundaries)?**

- |                                                        |                                               |                                    |                                |
|--------------------------------------------------------|-----------------------------------------------|------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> City-wide/Regional | <input checked="" type="checkbox"/> Northeast | <input type="checkbox"/> Northwest | <input type="checkbox"/> North |
| <input checked="" type="checkbox"/> Central Northeast  | <input type="checkbox"/> Southeast            | <input type="checkbox"/> Southwest | <input type="checkbox"/> East  |
| <input type="checkbox"/> Central City                  |                                               |                                    |                                |

### FINANCIAL IMPACT

**4) Revenue:** Will this legislation generate or reduce current or future revenue coming to the City? If so, by how much? If so, please identify the source. In partnering with KSM, the City of Portland's Golf Fund will generate incoming revenue. In the first year, during construction of a 9-hole Par 3 course, KSM will manage a full service restaurant and grass driving range. It is estimated that program revenue of \$485,000 will be made from those functions and deposited into the City of Portland Golf Fund. During Year 2 with a restaurant, paved driving range, functioning 9-hole course and a pro shop, the revenue generated will be \$1,335,000 deposited into the City of Portland Golf Fund.

**5) Expense:** What are the costs to the City as a result of this legislation? What is the source of funding for the expense? The Golf Program will be responsible for all costs associated with running the clubhouse functions (including personnel, cost of goods, and other operating expenses), a management fee payable to KSM monthly and an incentive fee based on the net profit of food & beverage functions. In Year 1, it is estimated to cost \$464,074. In Year 2, due to

increased sales in the pro shop and course operations, the cost will increase to \$771,644. The cost source will be obtained from the revenue generated from course and clubhouse functions.

**6) Staffing Requirements:**

- **Will any positions be created, eliminated or re-classified in the current year as a result of this legislation?** No changes in personnel will result from this action.
- **Will positions be created or eliminated in *future years* as a result of this legislation?**  
No.

*(Complete the following section only if an amendment to the budget is proposed.)*

**7) Change in Appropriations** *(If the accompanying ordinance amends the budget please reflect the dollar amount to be appropriated by this legislation. Include the appropriate cost elements that are to be loaded by accounting. Indicate "new" in Fund Center column if new center needs to be created. Use additional space if needed.)*

**[Proceed to Public Involvement Section — REQUIRED as of July 1, 2011]**

PUBLIC INVOLVEMENT

8) Was public involvement included in the development of this Council item (e.g. ordinance, resolution, or report)? Please check the appropriate box below:

X YES

NO: Please, explain why below; and proceed to Question #10.

9) If "YES," please answer the following questions:

a) What impacts are anticipated in the community from this proposed Council item? KSM. has a great deal of experience in the operation and management of golf facilities which will better ensure success for the project. A successful operation at Colwood Golf Course will provide jobs to the local neighborhood areas. Programs will also be available through KSM, to introduce golf to the local neighborhood

b) Which community and business groups, under-represented groups, organizations, external government entities, and other interested parties were involved in this effort, and when and how were they involved? The Golf Advisory Committee has been involved, as well as the Cully neighborhood through public involvement meetings regarding the Colwood site.

c) How did public involvement shape the outcome of this Council item? The Golf Advisory Committee has approved the Colwood project as well as the agreement with KSM to manage the site on an interim basis.

d) Who designed and implemented the public involvement related to this Council item? Elizabeth Kennedy-Wong, PP&R Public Involvement and Outreach Program Manager.

e) Primary contact for more information on this public involvement process (name, title, phone, email):

John Zoller, Director of Golf, 503 823-5104, John.Zoller@portlandoregon.gov

10) Is any future public involvement anticipated or necessary for this Council item? Please describe why or why not. This is a temporary arrangement necessitated by the short timeline for taking over operations June 1. PP&R plans to select a long-term contractor through a competitive process.

Jeff Shaffer, Finance Manager

APPROPRIATION UNIT HEAD (Typed name and signature)

