

# ORDINANCE No. 189689

Extend Management Agreement with Kemper Sports Management, Inc. for Heron Lakes Golf Course for an additional 24 months, increase the management fee, and add funds for the management fee and operating expenses for the extension period, for a new not-to-exceed amount of \$7,307,912 (Ordinance; amend Contract No. 30006422)

The City of Portland ordains:

## Section 1. The Council finds

1. On June 14, 2018, Portland Parks & Recreation's (PP&R) golf program entered into a Management Agreement with Kemper Sports Management, Inc. for management operations at Heron Lakes Golf Course (City Contract no. 30006422) for the period from June 14, 2018 to October 31, 2019. The Management Agreement authorized and contemplated appropriate compensation for Kemper Sports Management, Inc. in the form of a monthly fee for the performance of its duties and reimbursement for all golf course operating expenses that are incurred on a monthly basis.
2. Amendment 1 to the Management Agreement which was executed on September 25, 2018 clarified that \$323,400 was the amount contracted for management fees for the 16.5 months of the Management Agreement, based on the rate of \$19,600 per month, and further clarified that \$80,850 was allocated for operating expenses. The Amendment further identified that up to \$2,500,000 could be available for operating expenses with Council consent.
3. Amendment 2, authorized by Ordinance 189176 which passed on September 19, 2018, was executed on September 26, 2018 and allocated the balance of the previously identified amount for operating expenses (\$2,419,150) to the Management Agreement, bringing it to \$2,500,000.
4. While Ordinance 189176 contemplated a new solicitation for Parks' golf courses in 2019, PP&R has determined that more time is needed, and the RFP is planned for 2021, with contract(s) in place, by November 1, 2021. This will maximize the potential of public/private partnerships in the management of city golf courses. At that time, PP&R will conduct a comprehensive RFP for the four eastside courses (Colwood Golf Center, Eastmoreland Golf Course, Heron Lakes Golf Course and Rose City Golf Course).
5. Amendment 3, executed on May 23, 2019, gave authority to Kemper Sports to enter into new golf cart lease agreements.
6. In consideration of a 2-year contract extension, the City has agreed to allow an increase to Kemper Sports' management fee of 3%, from a fixed monthly

payment of \$19,600 to \$20,188. The increased fee will be effective November 1, 2019 and remain in place through the end of the Term.


7. In order to fund the contract term extension, the added amount for this Agreement shall be \$4,484,512 to provide for the additional management fee of \$484,512 and reimbursement of operating expenses of \$4,000,000 for the additional 24 months, with the total not-to-exceed \$7,307,912 for the full term.
8. Funds are accounted for in the Golf Operating Budget and the Five-Year Forecast for the Golf Fund.

NOW THEREFORE, The Council directs:

- a. The Chief Procurement Officer is hereby authorized to execute Amendment 4 to the Management Agreement with Kemper Sports Management, Inc. (Contract No. 30006422) in a form substantially similar to attached Exhibit A, upon approval as to form by the City Attorney, to extend the contract term until October 31, 2021, increase the monthly management fee to \$20,188 starting November 1, 2019, and identify the new not to exceed contract amount of \$7,307,912 for reimbursement of operating expenses and management fees.

Passed by the Council: SEP 04 2019

Commissioner Nick Fish  
Prepared by: Vincent Johnson  
Date Prepared: May 20, 2019

**Mary Hull Caballero**  
Auditor of the City of Portland  
By 

Deputy

Agenda No.  
**ORDINANCE NO.**  
Title

**189689**

Extend

Amend Management Agreement with Kemper Sports Management, Inc. for the management of Heron Lakes Golf Course to extend the term of the agreement for an additional 24 months, increase the management fee, and add funds for the management fee and operating expenses for the extension period, for a new not-to-exceed amount of \$7,307,912. (Ordinance; amend Contract no. 30006422)

<p><b>INTRODUCED BY</b> Commissioner/Auditor: <b>Nick Fish</b></p>	<p>CLERK USE: DATE FILED <u>AUG 20 2019</u></p>
<p><b>COMMISSIONER APPROVAL</b></p> <p>Mayor—Finance &amp; Administration - Wheeler</p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish <i>SMF</i></p> <p>Position 3/Affairs - Hardesty</p> <p>Position 4/Safety - Eudaly</p>	<p>Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <u><i>[Signature]</i></u> Deputy</p>
<p><b>BUREAU APPROVAL</b></p> <p>Bureau: Parks and Recreation Bureau Head: <i>Adena Long</i></p> <p>Prepared by: Vincent Johnson Date Prepared: May 20, 2019</p> <p>Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input checked="" type="checkbox"/></p> <p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p><b>City Auditor Office Approval:</b> required for Code Ordinances</p> <p><b>City Attorney Approval:</b> <i>88</i> required for contract, code, easement, franchise, comp plan, charter <i>7/15/19</i></p> <p>Council Meeting Date <b>8/28/19</b></p>	
<p><b>ACTION TAKEN:</b></p> <p>AUG 28 2019 PASSED TO SECOND READING SEP 04 2019 9:30 A.M.</p>	

<b>AGENDA</b>
<p><b>TIME CERTAIN</b> <input type="checkbox"/></p> <p>Start time: _____</p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>
<p><b>CONSENT</b> <input checked="" type="checkbox"/> <i>Pulled</i></p>
<p><b>REGULAR</b> <input type="checkbox"/></p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz	1. Fritz <input checked="" type="checkbox"/>	
2. Fish	2. Fish <input checked="" type="checkbox"/>	
3. Hardesty	3. Hardesty <input checked="" type="checkbox"/>	
4. Eudaly	4. Eudaly <input checked="" type="checkbox"/>	
Wheeler	Wheeler <input checked="" type="checkbox"/>	