

## IMPACT STATEMENT

**Legislation title:** 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)

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**Contact phone:** 503 318-1432

**Presenter name:** Vincent Johnson

### **Purpose of proposed legislation and background information:**

- 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. This original agreement was effective from June 14, 2018 to October 31, 2019.
- In order to maximize the revenue potential of public/private partnerships in the management of the city golf courses, the Parks bureau has decided to extend all existing management contracts until October 31, of 2021, which will allow sufficient time to develop a new golf facility management RFP that reflects critical goals and initiatives identified in the Golf Program Strategic Plan.
- The Management Agreement contemplated and accordingly authorized appropriate compensation for Kemper Sports Management, Inc. in the form of a monthly Management Fee for the performance of its duties and reimbursement of Operating Expenses for all golf course operation expenses that are incurred over the month.
- In consideration of a 2-year contract extension, the City has agreed to allow an increase to the 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.
- Additional estimated Operating Expenses for the extended term are \$4,000,000.
- In contemplation of the reimbursement of Operating Expenses and management fees which will be paid to Kemper Sports during this extended period, PP&R seeks to add \$4,484,512 to the value of the Agreement, making the not-to-exceed amount \$7,307,912.
- Funds are accounted for in the Golf Operating Budget and the Five-Year Forecast for the Golf Fund.

**Financial and budgetary impacts:**

Because the operating expenses are covered by the revenues realized by the Golf Program, there is no financial impact.

**Community impacts and community involvement:**

None

**100% Renewable Goal:**

N/A

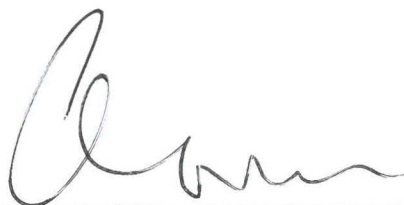
**Budgetary Impact Worksheet**

**Does this action change appropriations?**

YES: Please complete the information below.

NO: Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount



7/19/14