



AGENDA SUMMARY PAGE
CITY COUNCIL MEETING OF: MARCH 5, 2008

DEPARTMENT: FINANCE AND BUSINESS SERVICES
DIRECTOR: MARK VINCENT

Consent Discussion

SUBJECT:
Discussion and possible action on the proposed Reorganization of Manager and Recognition of Submanagement Agreement, Estoppel Certificate and Memorandum of Golf Course Management Agreement for the Las Vegas Municipal Golf Course located at 4300 Vegas Drive - Department of the Operations - Ward 5 (Barlow)

Fiscal Impact

- No Impact Augmentation Required
 Budget Funds Available

Amount:
Funding Source:
Dept./Division:

PURPOSE/BACKGROUND:

The City and Las Vegas Golf Club Joint Venture ("Existing Manager") are parties to a Golf Course Management Agreement originally dated November 5, 1980 and assigned to the Existing Manager on May 26, 1999. The Existing Manager proposed to the City to sell its interest in this Management Agreement to CNL Income EAGL Las Vegas, LLC ("New Manager") as allowed in Section 9 of the Fifth Amendment to the Management Agreement. Staff has performed due diligence on the proposal including the principal ownership, financial position, qualifications and experience of the proposed New Manager and finds them to be acceptable. The term of the Management Agreement commenced on January 1, 1981 and expired December 31, 2045, subject to rights to renew or extend in accordance with the Management Agreement.

PCC: K. Rainey
POC: Paul Ballam (703) 772-3593

RECOMMENDATION:

That City Council approve the Consent to Reorganization of Manager and Recognition of Submanagement Agreement, Estoppel Certificate and Memorandum of Golf Course Management Agreement for the Las Vegas Municipal Golf Course to CNL Income EAGL Las Vegas, LLC. Authority to execute the Agreement is given to the Purchasing Manager per R-48-2006.

BACKUP DOCUMENTATION:

1. Consent to Reorganization of Manager and Recognition of Submanagement Agreement
2. Estoppel Certificate
3. Memorandum of Golf Course Management Agreement
4. Certificate - Disclosure of Ownership/Principals
5. Submitted at meeting - Replacement map and legal description by Mark Vincent

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Motion made by RICKI Y. BARLOW to Approve

Passed For: 7; Against: 0; Abstain: 0; Did Not Vote: 0; Excused: 0

RICKI Y. BARLOW, LOIS TARKANIAN, LARRY BROWN, OSCAR B. GOODMAN, GARY REESE, STEVE WOLFSON, STEVEN D. ROSS; (Against-None); (Abstain-None); (Did Not Vote-None); (Excused-None)

Minutes:

MAYOR GOODMAN disclosed that he has no outstanding financial arrangements with BILLY WALTERS and clarified that this item was a request to consider the transfer of the management of the golf course from BILLY WALTERS and his group to another group. CITY ATTORNEY JERBIC confirmed that MAYOR GOODMAN had no conflict of interest in this matter.

MARK VINCENT, Director of Finance and Business Services, gave a brief history of the contract between the City and the management of the Municipal Golf Course. He stated the proposed new management, who has a reputation of improving the quality of golf courses under its management, had met with City staff. He stated the new management met the requirements to be eligible to manage the golf course and submitted a memo which included the golf course's service pond.

MR. VINCENT confirmed COUNCILSMAN TARKANIAN'S understanding that action on this item would change park management. He noted that this change would have no adverse impact on the City.

JOE MUNCH, President of Eagle Golf, Dallas, Texas, thanked COUNCILSMAN BARLOW for meeting with his company. He stated that the Municipal Golf Course presented a unique opportunity for his company to present a better product.

BROWN - part of Painted Desert?

RUDY ANDERSON, CNL Management Company, noted that Eagle Golf is the largest property manager of golf courses in the country and expressed his confidence in their management abilities. He also stated that he is looking forward to a long relationship with the City.

MR. ANDERSON confirmed that the new management team was currently involved in the management of the Painted Desert Golf Course.

COUNCILSMAN BARLOW thanked the MR. MUNCH and MR. ANDERSON for working with his office. He disclosed that he had visited and paid to play other locations managed by the proposed management team and welcomed them to his Ward.