



# WASHOE COUNTY

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## STAFF REPORT

BOARD MEETING DATE: April 13, 2021

**DATE:** March 1, 2021

**TO:** Board of County Commissioners

**FROM:** Eric Crump, Division Director, Operations  
Community Services Department, 328-3625, [ecrump@washoecounty.us](mailto:ecrump@washoecounty.us)

**THROUGH:** Dave Solaro, Arch., P.E., Assistant County Manager

**SUBJECT:** Recommendation to approve the “Golf Management License and Services for Washoe Golf Course” contract between Washoe County and Bell-Men Golf, Inc. for an initial term ending on December 31, 2025, and two 5-year extensions, for operation and maintenance of the Washoe Golf Course. The contract makes changes to the current agreement and, in sum, requires Bell-Men to operate and manage the course including food and beverage concessions; to make semi-annual lump sum payments to the County of \$25,000 (totaling \$50,000 per year); requires Bell-Men to collect certain capital improvement project (“CIP”) fees on behalf of the County; changes the funding for the capital fund from \$2 per round of golf to four lump sum payments in the amount of \$25,000 each to be deposited made quarterly by Bell-Men which payments will be used for major capital improvements, equipment, refurbishments and enhancements for the Golf Course; to prepare a 5-year capital improvement program and budget to be reviewed and approved by the County annually; increases Bell-Men’s maintenance and repair responsibilities; allows the parties to negotiate changes to the agreement at the beginning of the 4<sup>th</sup> year of the initial term and the 4<sup>th</sup> year of any extended terms to address significant changes to the economy, water supply, contractor performance or other related circumstances; and other terms as described therein. (Commission District 1.)

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### SUMMARY

Washoe Golf Course, a year-round municipal golf course owned by Washoe County and located at 2601 S. Arlington Drive, is Reno’s oldest golf course founded shortly after the great depression and built in the early 1930s. Washoe Golf Course encompasses 162 acres of mature landscaping with an 18 hole regulation length golf course, extensive practice facilities, putting green, driving range, chipping area, pro shop, and clubhouse with restaurant.

At the October 25, 2016 Washoe County Commission meeting the Board authorized staff to negotiate a License agreement with Bell-Men Golf Inc., “Bell-Men”, and to resolve past due issues with the current License agreement. A five-year License agreement for

AGENDA ITEM # \_\_\_\_\_

full operation of the Washoe Golf Course was executed between Washoe County and Bell-Men and this agreement will expire on June 30, 2021. To date Bell-Men has met all of the terms and conditions of the current contract and is proposing a new contract with changes to the terms.

The proposed changes include an initial 5-year term and two 5-year extensions that will commence upon the expirations of the prior term without action of either party, changing the compensation to the County from a percentage of gross revenue to lump-sum semi-annual payments, changing the funding for the capital fund from \$2/round to a quarterly lump-sum payment, and increasing the maintenance and repairs responsibilities to the contractor. The agreement allows the parties to negotiate any required changes to the agreement at the beginning of the 4<sup>th</sup> year of the initial term and the 4<sup>th</sup> year of any extended terms to address significant changes to the economy, water supply, contractor performance or other related circumstances. If the County and Bell-Men Golf cannot come to agreement over any materials changes needed, either party may give notice of the intent not to extend the agreement with at least 180 days prior to the end of the current term.

The agreement will require Bell-Men to provide a performance bond in the amount of \$100,000. The agreement will also require Bell-Men to collect the CIP fees solely on behalf of the County and prepare an annual 5-year capital improvement program and budget to be reviewed and approved by the County. CIP funds will be used for major capital improvements, equipment, refurbishments and enhancements for the Golf Course. All other terms and conditions of the agreement will generally be the same as the current agreement.

Staff is supportive of the proposed changes as it will allow for additional re-investment back into the course, further preserving and improving the County's assets. The longer term will provide financial consistency to the County and product consistency to the golfing community.

Washoe County Strategic Objective supported by this item: Stewardship of our community.

### **PREVIOUS ACTION**

On February 2, 2021, the Open Space and Regional Park Commission approved the recommendation to negotiate at License and Professional Services Agreement with Bell-Men Golf, Inc, for operation and maintenance of Washoe Golf Course; and recommended the Board of County Commissioners approve a License and Professional Services Agreement.

On December 13, 2016, the Board of County Commissioners (Board) directed staff regarding settlement of disputes with Bell-Men Golf, Inc. of past due amounts related to the extended license agreement ending December 31, 2016 for management of Washoe Golf Course; and approved an agreement for professional services for the full operation of Washoe Golf Course commencing January 1, 2017 and expiring on June 30, 2021.

October 25, 2016 – The Board awarded the License agreement for operation, maintenance, and management of Washoe Golf Course to Bell-Men Golf Inc. with direction to resolve past due issues.

May 24, 2016 – The Board amended the current License agreement with Bell-Men Golf Inc. for a six month extension and gave direction to staff to solicit a request for proposals for a four and one half year license agreement for full operation and management of Washoe Golf Course.

March 26, 2013 – The Board approved Amendment #2 to the Agreement for License and Professional Management Services at Washoe Golf Course with Bell-Men Golf Inc. retroactive to July 1, 2012 and approved a waiver of unpaid late fees in the approximate amount of \$20,000 through March 31, 2013.

March 27, 2012 – The Board approved Amendment #1 to the Agreement for License and Professional Management Services at Washoe Golf Course with Bell-Men Golf Inc., to allow for annual renewal of the Performance Bond.

December 13, 2011 – The Board approved an Agreement for License and Professional Management Services at Washoe Golf Course with Bell-Men Golf Inc. for professional services including food and beverage services at Washoe Golf Course for a four and one half (4 1/2) year period commencing on January 1, 2012 through June 30, 2016 with one additional five year renewal option.

August 23, 2011 - The Board approved Option # 1 and directed renewal of the contract for Golf Professional Services with Bell-Men Golf Inc. and/or Odette's for food and beverage services and retained all County golf maintenance staff as status quo.

### **BACKGROUND**

Washoe Golf Course is a year-round municipal golf course owned by Washoe County and located at 2601 S. Arlington Drive, and is Reno's oldest golf course founded shortly after the great depression and built in the early 1930s. Washoe Golf Course encompasses 162 acres of mature landscaping with an 18-hole regulation length golf course, extensive practice facilities, putting green, driving range, chipping area, pro shop, and clubhouse with restaurant.

During the period of time when contract renegotiations were occurring in 2016, the golf community consistently appeared during public comment at County Commission and Park Commission meetings, expressing strong support for Bell-Men Golf, Inc., and their continued operation and maintenance of the Washoe Golf Course. Bell-Men Golf, Inc., has operated the Washoe Golf Course under a license agreement since January 2002.

### **FISCAL IMPACT**

If the new contract is approved, the Contractor shall pay to County semi-annual lump sum payments of \$25,000 (totaling \$50,000 per year) payable on January 1 and July 1 of each year of the contract or prorated portion thereof and will be deposited into the Golf Fund (520), Washoe Golf Cost Center (680400), Contract Revenue General Ledger (491215). The revenue offset will pay for Land Improvements Capital, Repairs and Maintenance, Licenses and Permits, and Regulatory Assessments as outlined in the agreement.

The Capital Improvement Fund (CIP) fees collected as specified shall be collected or received solely on behalf of the County and shall be held by the Contractor in a fiduciary capacity.

Expenditures from the CIP Fund may be made only for capital improvement projects or equipment approved by County. The CIP Budget shall be submitted annually to the County for its approval by December 1 for the following year's CIP. The County shall not unreasonably withhold or delay its approval. Should the County need to make repairs to the items listed in section 7.1 of the agreement, the County may utilize funding from the CIP budget upon agreement between Contractor and County.

### **RECOMMENDATION**

It is recommended the Board of County Commissioners approve the "Golf Management License and Services for Washoe Golf Course" contract between Washoe County and Bell-Men Golf, Inc. for an initial term ending on December 31, 2025, and two 5-year extensions, for operation and maintenance of the Washoe Golf Course. The contract makes changes to the current agreement and, in sum, requires Bell-Men to operate and manage the course including food and beverage concessions; to make semi-annual lump sum payments to the County of \$25,000 (totaling \$50,000 per year); requires Bell-Men to collect certain capital improvement project ("CIP") fees on behalf of the County; changes the funding for the capital fund from \$2 per round of golf to four lump sum payments in the amount of \$25,000 each to be deposited made quarterly by Bell-Men which payments will be used for major capital improvements, equipment, refurbishments and enhancements for the Golf Course; to prepare a 5-year capital improvement program and budget to be reviewed and approved by the County annually; increases Bell-Men's maintenance and repair responsibilities; allows the parties to negotiate changes to the agreement at the beginning of the 4<sup>th</sup> year of the initial term and the 4<sup>th</sup> year of any extended terms to address significant changes to the economy, water supply, contractor performance or other related circumstances; and other terms as described therein.

### **POSSIBLE MOTION**

Should the Board agree with staff's recommendation, a possible motion would be: "Move to approve the "Golf Management License and Services for Washoe Golf Course" contract between Washoe County and Bell-Men Golf, Inc. for an initial term ending on December 31, 2025, and two 5-year extensions, for operation and maintenance of the Washoe Golf Course. The contract makes changes to the current agreement and, in sum, requires Bell-Men to operate and manage the course including food and beverage concessions; to make semi-annual lump sum payments to the County of \$25,000 (totaling \$50,000 per year); requires Bell-Men to collect certain capital improvement project ("CIP") fees on behalf of the County; changes the funding for the capital fund from \$2 per round of golf to four lump sum payments in the amount of \$25,000 each to be deposited made quarterly by Bell-Men which payments will be used for major capital improvements, equipment, refurbishments and enhancements for the Golf Course; to prepare a 5-year capital improvement program and budget to be reviewed and approved by the County annually; increases Bell-Men's maintenance and repair responsibilities; allows the parties to negotiate changes to the agreement at the beginning of the 4<sup>th</sup> year of the initial term and the 4<sup>th</sup> year of any extended terms to address significant changes to the economy, water supply, contractor performance or other related circumstances; and other terms as described therein."