

CITY COMMISSION AGENDA ITEM REPORT

DATE: August 23, 2023

SUBMITTED BY: Troy Gies

ITEM TYPE: Resolution

TEMP. RESOLUTION NUMBER: TR13973

AGENDA SECTION: **REGULAR AGENDA**

TITLE: TR13973 - A Resolution of the City Commission of the City of Tamarac, Florida, approving Agreement Amendment #2 to the Agreement with Troon Golf, LLC for Golf Course Operations Services at the Colony West Country Club dated October 24, 2013; approving an extension of the existing Agreement for a period of three (3) years in accordance with the provisions contained in the Agreement; authorizing the appropriate City Officials to execute Agreement Amendment #2 to the Agreement for Management and Maintenance of the Golf Course and the amenities available in the clubhouse including foodservice and Proshop operations for a period of three (3) years, for the effective period of October 24, 2023 through October 23, 2026 ; providing for conflicts; providing for severability; and providing for an effective date.

RECOMMENDATION: I recommend approval of TR #13973 for the approval and execution of Agreement Amendment #2 to the Agreement with Troon Golf, LLC for Golf Course Operations Services dated October 24, 2013 to extend the Agreement for an additional three (3) year period from October 24, 2023 – October 23, 2026.

BACKGROUND: The City of Tamarac purchased the Colony West Country Club from Sand Trap Management in December 2011 as a means of preserving green space and recreational opportunities within the City; and after the default of Sand Trap Management in August of 2013, determined that the City's best interests would be served by contracting for the management of the course. As a result of the competitive solicitation of Request for Proposal # 13-25R, the City awarded a five (5) year agreement for the maintenance and management of the Colony West Golf Club at its meeting of October 24, 2013 via resolution R-2013-115, available for

review in the City Clerk's Office. The agreement provided for one (1) renewal option for a period of five (5) years, which the City exercised and was approved by the City Commission via resolution R-2018-72, for an effective period of October 24, 2018 through October 23, 2023, available for review in the City Clerk's Office.

The current Agreement provides for the Management of the facility, as well as all the amenities of the clubhouse, including foodservice and pro-shop operations. Troon Golf, LLC manages all aspects of the facility, however the City maintains final control over the budget and accounting and receives the net revenue under the Agreement.

Troon Golf, LLC has agreed to continue to manage all operations of the facility at the same terms and conditions of the original agreement. The original agreement called for the City to pay Troon Golf, LLC a base monthly management fee of \$7,333.00 per month, or a total of \$87,996.00 in base management fees in the first year with an annual upward adjustment of 3%. Based on the annual adjustments pursuant to the agreement, in 2023, the City currently pays a base monthly management fee of \$9,567.90 per month, for an annual total of \$114,814.80. In addition, the city pays an incentive management fee equal to 15% of Net Operating Income in excess of \$150,000.00. The incentive management fee cannot exceed 100% of the base management fee for the current fiscal year. To provide a historical perspective, in 2020 the incentive management fee paid to Troon was \$0, 2021 was \$22,802 and in 2022 the City paid Troon \$64,546 in incentive fees. These fees have increased over the past two (2) years, but that is due to the success and increased revenues for the facility. For purposes of this Agreement, we define Net Operating Income as Gross Revenue minus all operating expenses which are attributable to the use and operation of the Club, including employee costs, operating expenses, centralized services, the Base Management Fees, expense reimbursements, interest expense on capital leases, all insurance costs related to the operation of the Club, and golf cart leases ; provided, however, such expenses shall not include any charges for amortization, depreciation, capital expenditures, debt service, City distributions or overhead allocations, or any Incentive Management Fees paid to Troon Golf, LLC hereunder.

Staff is recommending that the City Commission authorize the waiver of procurement procedures allowing for a three (3) year extension to the agreement with Troon Golf, LLC for golf course management at the same terms and conditions.

Based upon the nature of the services provided by Troon, staff believes the continuity provided with a three (3) year extension will serve the City's best interest by allowing the current successful operation to be maintained. Troon Golf, LLC took over the management of the Colony West Golf Course when the course was in disarray in 2013. The company successfully put a plan in place to make improvements to both the facilities and the operations.

Through their actions, the Colony West operations began showing a net profit in 2019/20 of \$140,071.00 and subsequently this has continued with a net profit of \$279,213.00 in 2020/21 and \$515,758.00 in 2021/22. This successful trend is anticipated to continue with a projected net profit of \$589,837.00 for 2022/23. Troon Golf, LLC has been able to show success through some challenging circumstances. They were able to show success through a period of time with no clubhouse, a temporary shutdown and restrictions put into place during the onset of COVID and planning for a cooperative partnership with an on-site hotel for golf, banquet and restaurant sales which has not opened yet. In addition, they were able to make a successful transition in the planning, opening and operations of a new clubhouse with restaurant, banquet facility and pro shop. The company has shown professionalism, creativity and strategic planning to maintain and increase success of the facility through these challenges. Staff believe it would be in the best interest of the City to maintain Troon Golf, LLC not just because of their successes, but also to allow them to build on that success with continuity and the opening of the on-site hotel. Troon Golf, LLC has fully executed the Agreement, and staff supports exercising a three (3) year renewal.

ISSUE:

Agreement Amendment #1 with Troon Golf, LLC for the management and maintenance of the Colony West golf course and the amenities available in the clubhouse including foodservice and pro-shop operations is set to expire on October 23, 2023. The original agreement executed in 2013 does not provide for a second five (5) year extension. Staff believe it is in the best interest of the City to exercise a three (3) year extension in accordance with the terms and provisions contained in the original agreement for the effective period of October 24, 2023 through October 23, 2026. City Code Section 6-148(i), titled Exclusions and exceptions to bid and proposal requirements states that the City Commission may authorize the waiver of procurement procedures upon the recommendation of the City Manager that it is in the City's best interest to do so to obtain goods and services.

STRATEGIC GOALS:

Goal #3: Tamarac is Economically Resilient

ATTACHMENTS:

[TR 13973 MEMO Golf Course Management \(Rev\).docx](#)

[TR 13973 RESOLUTION GOLF COURSE MANAGEMENT 8-17-2023.docx](#)

[Troon Golf Vendor Executed Agreement Amendment #2.pdf](#)