



Contract Number: CTN-ED-12*107-1
 Effective Date: 7-1-14
 Term Date: 6-30-19
 Cost: _____
 Revenue: \$122,987.00
 Total: _____ NTE: _____
 Action: _____
 Renewal By: 4-1-19
 Term: 6-30-19
 Reviewed by: SR

BOARD OF SUPERVISORS AGENDA ITEM SUMMARY

Requested Board Meeting Date: 08-05-2014

ITEM SUMMARY, JUSTIFICATION &/or SPECIAL CONSIDERATIONS:

First Amendment for the Arthur Pack Desert Golf Course dba: Wildcat Golf Partners to extend contract for an additional five (5) years.

CONTRACT NUMBER (If applicable): CTN ED 1200000 00000 0000107

STAFF RECOMMENDATION(S):

Approval of the extension for another five (5) years.

CORPORATE HEADQUARTERS: _____

CLERK OF BOARD USE ONLY: BOS MTG. _____

To PD: 7-21-14
 COB- 7-23-14
 BOS- 8-5-14

10 pgs (3)
 Ver. 3
 vend-1

Procure Dept 07/18/14 PM03:58

ITEM NO. _____

PIMA COUNTY COST: __ and/or REVENUE TO PIMA COUNTY: \$ 360,00.00 est

FUNDING SOURCE(S): _____

(i.e. General Fund, State Grant Fund, Federal Fund, Stadium D. Fund, etc.)

Advertised Public Hearing:

		YES	XX	NO
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Board of Supervisors District:

1		2		3		4		5		All	XX
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IMPACT:

IF APPROVED:

Wildcat Golf Partners will continue to serve the residents of Pima County.

IF DENIED:

The residents of Pima County will have one less golf course to play on.

DEPARTMENT NAME: Economic Development & Tourism

CONTACT PERSON: Tom Moulton TELEPHONE NO.: 724-7355

PIMA COUNTY DEPARTMENT OF : Economic Development and Tourism		<table border="1" style="margin: auto;"> <tr> <td colspan="2" style="text-align: center;">CONTRACT</td> </tr> <tr> <td colspan="2" style="text-align: center;">NO. <u>CTN-ED-1200000000000000107</u></td> </tr> <tr> <td colspan="2" style="text-align: center;">AMENDMENT NO. <u>01</u></td> </tr> <tr> <td colspan="2" style="text-align: center;">This number must appear on all invoices, correspondence and documents pertaining to this contract.</td> </tr> </table>	CONTRACT		NO. <u>CTN-ED-1200000000000000107</u>		AMENDMENT NO. <u>01</u>		This number must appear on all invoices, correspondence and documents pertaining to this contract.	
CONTRACT										
NO. <u>CTN-ED-1200000000000000107</u>										
AMENDMENT NO. <u>01</u>										
This number must appear on all invoices, correspondence and documents pertaining to this contract.										
PROJECT:	COOPERATIVE MANAGEMENT AGREEMENT									
CONTRACTOR:	ARTHUR PACK DESERT GOLF COURSE dba: WILDCAT GOLF PARTNERS, LLC									
CONTRACT NO.:	CTN ED 1200000 00000 0000107 07-71-W-134845-0704									
CONTRACT AMENDMENT NO.: ONE (1)										

ORIGINAL CONTRACT TERM: 07-01-2004 to 06-30-2014	ORIGINAL CONTRACT AMOUNT: \$122,987.00	
TERMINATION DATE THIS AMENDMENT: 06-30-2019	AMOUNT THIS AMENDMENT:	Base Fee: \$360,000.00 est

**FIRST AMENDMENT
TO THE COOPERATIVE MANAGEMENT AGREEMENT FOR OPERATION OF
ARTHUR PACK DESERT GOLF COURSE
dba: WILDCAT GOLF PARTNERS, LLC**

PARTIES: This First Amendment to the Cooperative Management Agreement (Agreement) is made by and between Pima County, a political subdivision of the State of Arizona, (County), acting through its Economic Development and Tourism Department (ED&T), and Wildcat Golf Partners, LLC, a Delaware limited liability company (Manager).

County and Manager desire to amend the current Management Agreement as set forth in this first amendment.

AMENDMENT: All references in the Agreement to the Pima County Department of Natural Resources, Parks and Recreation ("NRPR") shall be changed to reflect the Pima County Department of Economic Development and Tourism ("ED&T"). In addition, sections 2, 3.3, 3.4, 4.1, 19, and Section 22.13 of the Management Agreement are amended to read as follows:

2. TERM:

FROM : The term of this Agreement shall be ten years commencing on July 1, 2004 and ending on June 30, 2014 (the "Initial Term"). The term of this Agreement may be extended, by written agreement of the parties, for an additional 5 years to end on June 30, 2019. Manager may request this extension, by written notice to the Director of Pima County Natural Resources Parks and Recreation Department, at any time after Manager has installed or constructed at least One Million Five Hundred Thousand Dollars (\$1,500,000.) in capital improvements on the Golf Course, but no later than twelve (12) months prior to the end of the Initial term. As used herein, "year" shall mean the period from July 1, to June 30 rather than a calendar year.

TO: The term of this Agreement shall commence on July 1, 2004 and end on June 30, 2019.

3.3 FEEES FOR EXTENSION OF TIME

FROM: If the Agreement term is extended for an additional five (5) years, as set forth in Paragraph 2 above, the parties will negotiate in good faith to reach agreement on a new Annual Base Fee amount for that extension period.

TO: The Agreement will have a current Annual Base Fee, as outlined in Exhibit A, of Seventy -Two Thousand Dollars (\$72,000.00) for the initial year of the extension. On July 1, 2015, July 1, 2016, July 1, 2017 and July 1, 2018 the Annual Base Fee shall be adjusted based on the percentage increase, if any, in the Consumer Price Index-Urban (CPI-U) for the previous year.

3.4 PAYMENT OF FEES

From: Except as otherwise provided in Paragraph 4.1.2 below, Manager shall pay 1/12 of the Annual Base Fees, in advance, by the first of each month (commencing on July 1, 2004). By the 15th of each month after the first month (until one month after the Agreement expires or is earlier terminated), Manager shall provide to County a statement showing actual Gross Revenues received by Manager to date. By the 15th of each month in which Gross Revenues have reached \$1,000,000.00 for that year, Manager shall pay to County, in arrears, the Percentage Fees for the prior month.

To: Manager shall pay to County one twelfth (1/12) of the Annual Base Fee, in advance, by the first of each month (commencing on July 1, 2014). By the 15th of each month after the first month (until one month after the Agreement expires or is earlier terminated), Manager shall provide to County a statement showing actual Gross Revenues received by Manager to date. By the 15th of each month in which Gross Revenues have reached the benchmark as indicated in Exhibit A for that year, Manager shall pay to County, in arrears, the Percentage Rent for the prior month based on the formula indicated in Exhibit A.

For the purposes of this Agreement the term "Gross Revenues" means all income receipts from any source arising out of operations or activities conducted on the Premises, whether or not such revenue is revenue directly from Golf Course operations, except for revenues relating to any areas subleased or used exclusively by third parties. It is the intent of the parties that Gross Revenues be interpreted as broadly as possible to include all revenues derived from use of the Premises regardless of the source or the recipient of such revenue. Gross Revenue does not include direct taxes charged on admissions or other monies collected on behalf of and paid to a taxing authority as sales or excise taxes, and does not include normal charge-backs such as rebates to charities using the Premises, refunds, returns, credit card fees or uncollected amounts.

Percentage Rent benchmarks shall not be subject to adjustment for the CPI-U. Within 15 days after the end of each month, Manager shall report to County all Gross Revenues and charge-backs.

4. **CAPITAL IMPROVEMENTS**

FROM: 4.1 CAPITAL IMPROVEMENTS PROGRAM

4.1.1 INITIAL IMPROVEMENTS. Manager shall, during the first three years of the Agreement term, construct capital improvements on the Golf Course, as provided in Exhibit C (see particularly the chart labeled "Funded Capital Improvements" in Exhibit C), with a cost no less than provided in Exhibit C.

4.1.2 RECLAIMED WATER LINE. In addition to the capital improvements described in Exhibit C, Manager shall install a twelve-inch reclaimed water line from Tucson Water's reclaimed line along Thornydale Road to the reservoir at the Golf Course, along the route, and with the components shown on the attached Exhibit D. Manager shall make a reasonable effort to complete installation of this line expeditiously, but no later than December 31, 2005. Manager shall construct the line according to plans and specifications to be provided to it by County, and in a manner meeting all reasonable requirements and specifications of the Tucson Water Department. In addition to providing the plans and specification for the new line, the County shall be responsible for re-vegetating and re-paving any area that are disturbed by the excavation for the new line, and will pay all County permit fees required for the construction. NRPR will provide other assistance to manager as resources are available.

In exchange for building this reclaimed water line, Manager shall receive a credit against the Operating Fees due to the County as set forth in Paragraph 3.2 above, for Manager's actual cost in designing and installing the line (plus interest on this amount at the rate of 8% per annum until paid), up to a maximum amount of Five Hundred Thousand Dollars (\$500,000). Manager shall still submit the monthly revenue report as required under Paragraph 3.4 so that the Percentage Fee, against which Manager is receiving a credit, can be calculated. The line, when built, will belong to the County, and the County may use it to supply water to other parts of the Park, so long as such use does not have a detrimental effect on Manger's use of the line.

TO: 4.1 2014-2019 MINIMUM NEW CAPITAL INVESTMENT \$45,000.00

Manager shall during the remaining term of this Agreement complete the capital schedule as listed:

- Continue to maintain and cultivate improved turf conditions and upgrade irrigation system where needed (Allocated Funds: \$20,000.00)
- Continue to repair and maintain clubhouse; replace roofing and carpeting as needed (Allocated Funds \$20,000.00)
- Landscape front entry area and halfway house area (Allocated Funds \$5,000.00)

19. UTILITIES, SERVICES AND TAXES

FROM: 19.2 Reclaimed Water. Type B treated effluent (reclaimed water) is currently delivered to the Golf Course through a reclaimed water line from the County's Ina Road Wastewater Treatment Facility. Manger shall be required to pay for the utility costs necessary to pump the reclaimed water from the treatment facility to the Golf Course, and Manger shall be responsible for the cost of maintenance, repair and replacement of pumps on the Premises, but Manager shall not be required to pay for the water itself; until the water line, through which this reclaimed water is delivered, is replaced and Manager begins receiving water through the new line.

Manager has been advised that the existing reclaimed water line is not considered to be 100% reliable, because of its vintage and condition. For this reason, Manager has agreed to install a new reclaimed water tap and line, as described in Paragraph 4.1.2 above, in exchange for a credit toward the Operating Fees due to the County.

From and after the time that this new reclaimed water line is functional and is delivering reclaimed water to the Golf Course, Manager shall pay County for the water it uses, at the rate of \$100 per acre foot. This rate shall be adjusted periodically to reflect increases in the cost of the reclaimed water to the County; if the rate the County pays Tucson Water for delivery of the water increases, the rate paid by Manager shall increase a like percentage.

Until such time as the new reclaimed water line is functional and is delivering reclaimed water to the Golf Course, Manager shall make reasonable efforts to minimize wear and tear on the existing reclaimed water line through the coordination of its operation with County Wastewater staff. These efforts shall include, but not necessarily limited to, maintaining an optimal water inventory at all times; and keeping County staff informed of anticipated water needs and usages, to the extent that this can reasonably be foreseen. Manager shall also fill in the non-irrigation-related pond on the Golf Course to lessen pressure on the existing line, at such time as the County makes fill for the project available to Manger at no cost.

Manager shall be permitted to use the existing line, even after completion of the new line, until the earlier of the following occurs: (a) the Randolph Wastewater Treatment Plant is operating; and (b) the existing reclaimed water line breaks, leaks, or shows other signs of increased instability. Upon the occurrence of either of these events, Manager shall abandon use of the existing line and switch to the new line.

With respect to the reclaimed water line, Manager will be operating under Tucson Water's ADEQ Reuse Permit.

TO: CAPITAL IMPROVEMENTS

19.2 Reclaimed Water. Type A treated effluent (reclaimed water) is currently delivered to the Golf Course through a reclaimed water line from the County's Ina Road Wastewater Treatment Facility. Manager shall be required to pay for the utility costs necessary to pump the reclaimed water from the treatment facility to the Golf Course, and Manager shall be responsible for the cost of maintenance, repair and replacement of pumps on the Premises.

This new reclaimed water line is functional and is delivering reclaimed water to the Golf Course; Manager shall pay County for the reclaimed water it uses at the rate of One Hundred Dollars (\$100.00) per acre foot. This rate shall be adjusted periodically to reflect increases in the cost of the reclaimed water to the County; if the rate the County pays Tucson Water for delivery of the water increases, the rate paid by Manager shall increase by the same percentage. However, rate increases shall not exceed five percent (5%) as long as the Pima County cost of reclaimed water does not exceed One Hundred Dollars (\$100.00) per acre foot.

22. GENERAL PROVISIONS

FROM: **22.13 NOTICES** Wherever this Agreement requires or permits notice or demand to be given by either party to each other, such notice or demand shall be in writing and given, or served either personally or by regular mail, certified mail (return receipt requested), or by commercial delivery service such as Federal Express or United Parcel Service, addressed to the parties at the addresses specified below and to the following individuals. Either party may change such address by written notice to the other as herein provided.

If notice to County:

Director

Pima County Natural Resources Parks and Recreation Department

3500 W. River Road, Tucson, AZ 85741

Telephone Number: 520-877-6000

Fax Number: 520-877-6208

If notice to Manager:

Director of Golf Operations

Wildcat Golf Partners

9101 North Thornydale Road

Tucson, AZ 85749

TO: **22.13 NOTICES** Wherever this Agreement requires or permits notice or demand to be given by either party to each other, such notice or demand shall be in writing and given, or served either personally or by regular mail, certified mail (return receipt requested), or by commercial delivery service such as Federal Express or United Parcel Service, addressed to the parties at the addresses specified below and to the following individuals. Either party may change such address by written notice to the other as herein provided.

If notice to County:

Tom Moulton, Director

Pima County, Economic Development and Tourism Department

33 N. Stone Avenue, Suite 830

Tucson, AZ 85701

Telephone: 520-724-7355

If notice to Manager:

Rich Mueller, Managing Director
Wildcat Golf Partners LLC
dba: Crooked Tree Golf Course
9101 North Thornydale Road
Tucson, AZ 85742
Telephone: 520-744-3322 x 11

All other provisions of the Agreement not modified by this First Amendment will remain in full force and effect.

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ENTIRE AGREEMENT

This document in conjunction with the Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof, and all prior or contemporaneous agreements and understandings, oral or written, are hereby superseded and merged herein. This contract may be modified, amended, altered or extended only by a written amendment signed by the parties.

PIMA COUNTY

Sharon Bronson, Chair
Pima County Board of Supervisors

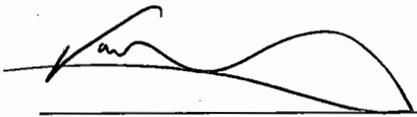
Date

ATTEST:

Robin Brigode, Clerk of the Board

Date

APPROVED AS TO FORM:



Tobin Rosen, Deputy County Attorney
Civil Division

6/4/14

Date

APPROVED AS TO CONTENT:



Tom Moulton, Director
Economic Development & Tourism

6/15/14

Date

WILDCAT GOLF PARTNERS, LLC



Rich Mueller,
Managing Director

6/30/14

Date

EXHIBIT A

Wildcat Golf Partners Crooked Tree Golf Course Rent Chart

Fiscal Year	Minimum Rent*	Projected Gross Revenue	Override Rent %
2014-2015	\$72,000	\$1,505,500	4.78%
2015-2016	\$75,600	\$1,539,500	4.91%
2016-2017	\$79,380	\$1,571,000	5.05%
2017-2018	\$83,349	\$1,571,000	5.31%
2018-2019	\$87,516	\$1,603,500	5.46%

* Projections based on 2% annualized COL

** Override Rent takes effect when revenue exceeds projected amount;
% applied to revenue over projected amount



@ Arthur Pack Regional Park
WILDCAT GOLF PARTNERS, L.L.C.
9101 N. THORNYDALE ROAD
TUCSON, AZ 85742
520.744.3322
FAX 520.744.3367

January 10, 2014

Dear Mr. Moulton,

Wildcat Golf Partners would like to exercise our five year option to manage Crooked Tree Golf Course.

Wildcat Golf Partners has paid a total of \$1,309,887 in lease payments to Pima County since 7/1/2004. Additionally Wildcat Golf Partners has made \$ 2,132,743 in capital improvements since 7/1/2004. Our goal is to continue to operate the golf course for the good of the public.

In light of the current economic landscape, the increases in operating costs combined with the diminished number of winter tourists, we are requesting a freeze on our lease payments as of 1/15/2014 and for the entire five year extension. This would effectively enable Wildcat Golf Partners to continue to maintain Crooked Tree Golf Course to the high standards that Pima County residents have come to expect. This would also enable Wildcat Golf Partners to apply funds we don't currently have to address several concerns such as the clubhouse roof and other areas in need of immediate repair.

We also request Pima County limit any water rate increase to no more than 5% annually.

Sincerely,

Rich Mueller
V.P. Wildcat Golf Partners LLC.
Crooked Tree Golf Course

<u>DESCRIPTION OF ITEM</u>	<u>EXPENSE</u>	<u>COMPLETED</u>	<u>STATUS</u>	<u>COMMENTS</u>
UPGRADE PUMP STATION	\$180,724	2004	COMPLETE	2 new irrigation pumps
NEW CENTRAL CONTROLER	included above	2004	COMPLETE	
NEW FAIRWAY CONRTROLERS	included above	2004	COMPLETE	
NEW WEATHER STATION	included above	2005	COMPLETE	
MISC IRRIGATION IMPROVEMENS	\$28,682	2005-2009	COMPLETE	on going replacement of old system
MISC IRRIGATION IMPROVEMENS	\$25,932	2010-present	ON GOING	New Irrigation pump, on going replacement of old syst
NEW TRACTORS	\$27,115	2004	COMPLETE	
NEW FAIRWAY MOWERS	\$75,000	2004-2006	COMPLETE	
NEW GREENS MOWERS	\$152,030	2004 2008	COMPLETE	
NEW ROUGH MOWERS	\$95,220	2006	COMPLETE	
NEW SANDPROS (BUNKERS)	\$34,007	2004	COMPLETE	
NEW TRUCK	\$22,000	2004	COMPLETE	
NEW SERVICE VEHICLES	\$50,000	2004	COMPLETE	
MISC TURF EQUIPMENT	\$149,118	2004-present	ON GOING	
CLUBHOUSE REMODEL	\$436,315	2005	COMPLETE	
TARGET GREENS	incld range renovation	2004	COMPLETE	
RENOVATE DRIVING RANGE	\$487,000	2004	COMPLETE	
CONSTRUCT PRACTICE BUNKERS	incld range renovation	2004	COMPLETE	
CONSTRUCT SHORT GAME AREA	incld range renovation	2004	COMPLETE	
PUTTING AREA	incld range renovation	2004	COMPLETE	
SWING ANALYSIS SOFTWARE	\$12,500	2006	COMPLETE	A-Star swing analysis system
IRRIGATION IMPROVEMENTS	\$100,000	2006	COMPLETE	900 heads replaced on course
ADDITONAL TEE BOXES	\$25,000	2005-2008	COMPLETE	6 new tee boxes added
NEW CART PATHS/ STAGGING AREA	\$45,000	2005	COMPLETE	new concrete staging area
NEW ENTRANCE FAÇADE	incld clbhouse remodel	2005	COMPLETE	signs and landscaping
NEW OUTDOOR COURTYARD	incld clbhouse remodel	2005	COMPLETE	flagstone patio
PAINT ALL BUILDINGS	incld clbhouse remodel	2005	COMPLETE	
RESTROOM CLEANING PAINT	incld clbhouse remodel	2005	COMPLETE	
PLAYERS LOUNGE AREA	incld clbhouse remodel	2005	COMPLETE	including 3 36" lcd tv's
EXTERIOR LANDSCAPING	\$35,000	2004-2006	COMPLETE	native landscaping around clubhouse and practice are
CART AREA DRAINAGE	\$5,000	2005	COMPLETE	extended drain all the way to lake
ENCLOSE CART AREA	\$25,000	2004	COMPLETE	slump block wall
GAS AND CABLE LINES	\$30,000	2004/2005	COMPLETE	added gas and cable lines to property
AUTOMATED PHONE SYSTEM	\$11,000	2005	COMPLETE	new interior phone lines/system
NEW TEE BOX SIGNAGE	\$5,000	2006	COMPLETE	cylex tee signs
ADDITIONAL ORTEGA FENCE	\$21,100	2005	COMPLETE	
POS SYSTEM AND NETWORKING	\$30,000	2004/2008	COMPLETE	rewired clubhouse to operate internet and pos system
TOTAL	\$2,107,743			
REMOVAL OF DESERT BROOM	\$15,000	2004	COMPLETE	removed desert broom from golf course

\$2,122,743