

From: [Kearney, Don](#)
To: [City Council](#)
Cc: [TenHaken, Paul](#); [Beck, Erica](#); [Nelson, T.J.](#); [Greco, Tom](#)
Subject: Golf Update
Date: Wednesday, January 22, 2020 3:19:15 PM
Attachments: [image002.png](#)
[Golf Amendment.pdf](#)

Good Afternoon City Councilors,

We wanted to share a summary of what we plan to present to you at the informational meeting next Tuesday, January 28th regarding golf course operations. We have received an inquiry from the Argus Leader asking for golf course data in advance of the informational, therefore, we are sharing this with you in advance of the Argus story that is likely to run this week.

2019 Course Operations Summary:

- Rounds increased from 75,846 in 2018 to 84,441 in 2019.
- Season passes increased from 636 in 2018 to 747 in 2019.
- Punch passes increased from 260 in 2018 to 397 in 2019
- Paid green fee visits increased 15% over 2018.
- Playable days comparison: 2019 – 170, 2018 – 168, 2017 - 221, 2016 – 213
- City courses finished in the black last year and again this year. Our forecast and unofficial bottom line looks to be approximately \$100,000 better than last year.
- Contributing factors for the increase in rounds and financial performance:
 1. Added value through the new membership design.
 2. Providing a better golf experience highlighted by much improved playing conditions and putting surfaces attracting more people who in turn left satisfied.
 3. The City courses offer two walk up ready 9-hole courses that don't require tee times to help accommodate more people that may not plan ahead.
 4. Increased presence on social media and marketing.

While the Argus has not inquired about the Golf Course Contract Amendment, we wanted to give you some insight on that as well.

- The City of Brandon has approached Landscapes Management Company (LMC) about their potential interest in helping them with golf course operations. Currently, our contract with LMC has a non-compete clause restricting LMC from managing other daily fee courses within a 20 mile radius of the city courses. The City of Brandon's course is a daily fee course that falls within this 20 mile radius. LMC informed us about the interest from the City of Brandon and they also made the City of Brandon aware of the non-compete in their contract.
- LMC has indicated that they would be interested in working with the City of Brandon, however they want to make sure they had the City's support before moving forward.
- After reviewing the opportunity with the city team and LMC, we believe it would be

advantageous for us to allow LMC to management work with the City of Brandon. While no decision has been made by the City of Brandon, it is our understanding that they are considering issuing an RFP for golf course management services this summer. This amendment as proposed would allow LMC to submit a proposal to the City of Brandon.

- We support the amendment for the following reasons:
 - This would be a separate start up for LMC. The Sioux Falls Golf Team would not be used to manage the City of Brandon's course. If a staff member of Sioux Falls Golf was being considered to work for the Brandon course it would require our prior approval.
 - There is an opportunity for reciprocal add on memberships which could be beneficial for the city courses.
 - It continues our historical cooperative spirit with local units of government.

I have attached a draft of the amendment. We look forward to presenting this information to you next Tuesday.

Thanks and have a great day!

Don R. Kearney

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CITY USE ONLY			
Agreement No.	Amount	Attorney	Code atkl3062
Project/CIP No.		Finance	
Dept. No./MOU		City Engineer	
Agenda Title			

**AMENDMENT ONE TO GOLF FACILITIES MANAGEMENT AGREEMENT
BETWEEN THE CITY OF SIOUX FALLS AND LMC**

Agreement made February , 2020, between the City of Sioux Falls, South Dakota, a home rule chartered municipality, organized and existing under South Dakota law (the "City" or "Owner"), and Landscapes Management Company, LLC, a Nebraska limited liability company ("LMC" or "Manager").

The parties agree to amend the agreement dated January 19, 2018, and filed as City Agreement No. 17-0102 by amending Section 2.6(a) to read as follows:

2.6 Non-Competition

- a) With the exception of the city of Brandon, during the Management Term, LMC agrees it will not, directly or indirectly manage or provide management services to similar types of public daily fee golf facilities located with a 20-mile radius of Golf Facilities which compete with the Golf Facilities for events as a principal, partner, joint venture, officers, director, member, employee, consultant, agent, independent contractor of any business entity. LMC further agrees to employ different LMC personnel for the management of the city of Brandon golf facilities and LMC will not hire personnel from the Golf Facilities without first obtaining the City's written consent.

IN WITNESS WHEREOF, the parties have executed this agreement the day and year first above written.

CITY OF SIOUX FALLS

LANDSCAPES MANAGEMENT COMPANY, LLC

BY: _____

BY: _____

PRINTED NAME: _____

PRINTED NAME: _____

TITLE: _____

TITLE: _____

FEDERAL TAX ID NO. _____

ATTEST:

CITY CLERK
PRINTED NAME: _____