

RESOLUTION NO. 2009-59

RESOLUTION BY THE PUBLIC WORKS, PARKS AND FACILITIES COMMITTEE AUTHORIZING AND APPROVING THE AMENDMENTS TO THE RACINE COUNTY AND H&H FAIRWAY ENTERPRISES, INC. LEASE AGREEMENT FOR RACINE COUNTY GOLF COURSES.

To the Honorable Members of the Racine County Board of Supervisors:

BE IT RESOLVED by the Racine County Board of Supervisors that the County is authorized to amend the Racine County lease agreement between Racine County and H&H Fairway Enterprises, Inc. by revising the following articles, to-wit:

3. Rent – page 1 &2

A. The LESSEE shall pay to the COUNTY as rent for said leased premises a percentage of all gross revenue the LESSEE receives from its operation of the golf course facilities. (see attachment #1). For the purpose of this proposal, "Gross Revenue" shall be defined as the total of all sums received from all sources derived from golf season revenues which shall include but not be limited to payments received for green fees, passes, driving range, food and beverages, vending machines, reservation fees, mechanized cart rentals, and pull cart rentals, or another agreed upon use of premises, such as, clubhouse(s) rental and usage; excluding sales and use taxes, surcharges, (see item #6), golf lessons, and club repair. "Gross revenue" shall include sales of all food merchandise from Fairway Café sales, pro-shop merchandise and for such merchandise shall be defined as gross profit which equals gross revenue minus cost of goods sold. If LESSEE has Business Interruption Insurance, and receives a claim settlement, it shall be included in the gross revenue.

27. Fox River Bridge – page 20

LESSEE, shall be responsible, at its own expense and at no expense to the COUNTY, for the upkeep and maintenance of the bridge over the Fox River. This shall include, but not limited to, the replacement of the bridge decking. ~~Lessee shall be responsible, at its own expense and at no expense to the County, for the upkeep and maintenance of the bridge over the Fox River. This shall include, but not limited to, the replacement of the bridge decking. The~~ LESSEE shall also be responsible for painting the bridge structure once during the term of the lease. ~~LESSEE shall be responsible for obtaining all necessary permits for the painting of the bridge at no expense to the County.~~ The County shall be responsible for major repairs to the bridge steel structure and the concrete bridge abutments.

28. Inspection and Accounting – page 20

3
4
5 A. LESSEE shall submit to the COUNTY a monthly itemized statement of gross
6 revenue receipts from the entire operation of the leased facilities. This statement
7 shall be submitted to the COUNTY by the twenty-fifth (25th) day of each fiscal
8 month, showing an accounting of gross revenue receipts for the previous fiscal
9 month. The LESSEE shall submit to the COUNTY an annual financial statement
10 prepared in accordance with ~~Generally Accepted Accounting Principles (GAAP)~~
11 ~~and audited by an independent certified public accountant in accordance with~~
12 ~~Generally Accepted Auditing Standards (GAAS) for the entire operation of the~~
13 ~~leased facility. This statement must be submitted to the County by April 1,~~
14 ~~immediately following the end of the lease year.~~ **review of the balance sheet**
15 **as of December 31 of each year and the related statements of operations,**
16 **retained earnings, and cash flows for the period then ended. The review**
17 **will be made in accordance with Statements on Standards for Accounting**
18 **and Review Services (SAARS) issued by the American Institute of Certified**
19 **Public Accountants. The lessee shall submit to the County when**
20 **requested an audit in accordance with Generally Accepted Accounting**
21 **Principles (GAAP) and audited by an independent certified public**
22 **accountant in accordance with Generally Accepted Auditing Standards**
23 **(GAAS). The cost of the preparation of the Review and when requested by**
24 **County the GAAP and GAAS shall be borne by the lessee. Said statements**
25 **and audit shall be considered public documents.** The annual financial
26 statement shall be prepared by a Certified Public Accountant pursuant to
27 generally accepted accounting principles, or in any manner prescribed by the
28 Director of Finance for the COUNTY. The LESSEE shall keep or cause to be
29 kept such reasonable books, records, journals, accounts and ledgers as may be
30 required to properly and accurately reflect the amounts of revenues and
31 expenses in accordance with generally accepted accounting principles. The cost
32 of the preparation of the GAAP basis annual financial statement audited in
33 accordance with GAAS by a Certified Public Accountant shall be borne by the
34 LESSEE. Said statements and audit shall be considered public documents.

35
36 47. Miscellaneous – page 29

37 G. ~~In 2009, LESSEE~~ **The LESSEE, by the end of the lease agreement**
38 **December 31, 2011,** shall re-carpet the Ives Grove clubhouse lounge, dining
39 room, pro shop, office, stairs and hallways and the Brown's Lake clubhouse
40 lounge, pro shop, office and hallway with carpeting of equal or better quality than
41 the existing carpeting with the written approval of the County.

42
43 **BE IT FURTHER RESOLVED** by the Racine County Board of Supervisors, that
44 additional terms and conditions may be applicable as the Corporation Counsel and the
45 Director of Public Works deem necessary and appropriate.

1 Resolution No. 2009-59
2 Page Three

3
4

5 **BE IT FURTHER RESOLVED** by the Racine County Board of Supervisors that any two
6 of the County Executive, the County Clerk and/or the County Board Chairman are
7 authorized to execute any contracts, agreements or other documents necessary to carry
8 out the intent of this resolution.

9

10 Respectfully submitted,

11

12 1st Reading _____

**PUBLIC WORKS, PARKS AND FACILITIES
COMMITTEE**

13
14 2nd Reading _____

15
16 BOARD ACTION

Jeff Halbach, Chairman

17 Adopted _____

18 For _____

19 Against _____

20 Absent _____

Gilbert Bakke, Vice-Chairman

21

22 VOTE REQUIRED: Majority

Russell Clark, Secretary

23

24 Prepared by:
25 Corporation Counsel

Mike Dawson

26

27

28 _____
Jim E. Kaplan

29

30

31

32 _____
Donnie Snow

33

34

35

36 _____
Diane Lange

37

38 **The foregoing legislation adopted by the County Board of Supervisors of**
39 **Racine County, Wisconsin, is hereby:**

40 **Approved:** _____

41 **Vetoed:** _____

42

43 **Date:** _____,

44

45

46 _____
William L. McReynolds, County Executive

47

48

49

50

3
4 **INFORMATION ONLY**

5
6 **WHEREAS**, Racine County and H&H Fairway Enterprises, Inc. entered into a lease
7 agreement for six (6) years, commencing January 1, 2006 and ending December 31,
8 2011.

9
10 **WHEREAS**, the lease agreement include the premises located at Browns Lake Golf
11 Course and Ives Grove Golf Links, and

12
13 **WHEREAS**, the food shall be defined as gross profit which equals gross revenues
14 minus cost of goods sold; and

15
16 **WHEREAS**, the audit shall be modified to an annual financial statement review,
17 however, lessee shall submit to Racine County when requested, an audit in accordance
18 with generally accepted accounting principles; and

19
20 **WHEREAS**, the carpet replacement for both golf course facilities have been extended
21 from 2009 to the end of the lease agreement December 31, 2011; and

22
23 **WHEREAS**, the new revisions to the lease agreement defined in this resolution shall be
24 retroactive to the first of the year January 1, 2009; and

25
26 **WHEREAS**, the current revisions proposed are good and valuable considerations that
27 all parties to the lease agreement agree.