

RESOLUTION NO. 2005-116

**RESOLUTION BY THE PUBLIC WORKS, PARKS AND FACILITIES COMMITTEE
AUTHORIZING A LEASE WITH H & H FAIRWAY ENTERPRISES INC. TO MANAGE
THE OPERATION OF THE GOLF COURSES AT IVES GROVE AND BROWNS LAKE**

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

BE IT RESOLVED by the Racine County Board of Supervisors that a lease with H & H Fairway Enterprises Inc. for the management of the Racine County golf courses at Ives Grove and Browns Lake is authorized and approved and that said lease shall be for a period of six (6) years and shall include the following terms and conditions:

1. The lease shall be for a term of six (6) years beginning January 1, 2006 and ending December 31, 2011.
2. 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 as follows:

2006	19.5%
2007	19.5%
2008	19.5%
2009	19.5%
2010	19.5%
2011	19.5%

For the purpose of the lease, "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 any other agreed upon use of premises, such as, clubhouse(s) rental and usage; excluding sales and use taxes, surcharges, golf lessons, and club repair. "Gross Revenue" shall also include sales of pro-shop merchandise and for such merchandise shall be defined as gross profit which equals gross revenues minus cost of goods sold. If Lessee has Business Interruption Insurance, and receives a claim settlement, it shall be included in the gross revenue.

3. Lessee agrees to operate and maintain the leased premises for the purpose of operating a public golf course facility of the highest quality and providing usual services generally provided by golf courses, including regular and group golf play, golf instruction, food and beverage operation of a golf pro shop in which golfing equipment and apparel are sold. Lessee shall have knowledge and understanding of the principles and practices of golf course management and

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5 implement and utilize such principles and practices in its operation of the leased
6 facilities.

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- 8 4. Lessee shall equip and operate high quality food and beverage concessions,
9 typical of a public golf course, during the hours of golf operation. The Lessee
10 shall pay to the County a percentage of all gross revenue the Lessee receives
11 from its food and beverage concessions operation at the golf course facilities.
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- 13 5. The Lessee shall continue existing programs, including junior golf activities, adult
14 recreational leagues, school use, outings, and annual and special tournaments,
15 consistent with past traditions. Preference shall be given to league assignments
16 to existing residents-based golf players as program now exists. The Lessee shall
17 not discontinue said programs or add programs for special interests that totally
18 will exceed one-third (1/3) of the daily tee times without justification to and written
19 approval by the County. Service to the public is utmost and the County wishes to
20 continue the excellent golf clientele relationships that are presently in effect.
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- 22 6. Lessee shall provide sufficient and competent employees to adequately manage,
23 maintain and operate the golf courses facilities, including course and equipment
24 maintenance, and shall be obligated to pay all salaries for such employees
25 including the withholding of payroll, social security taxes, workers compensation,
26 and other personal costs which may be required. Said employees shall be
27 competent and able to deal effectively and courteously with the general public in
28 a recreational setting. Lessee shall further provide adequate training to said
29 employees so that they are able to perform maintenance on the golf course
30 facilities in a good workmanlike manner. Employees of the Lessee who use
31 and/or direct (supervise) the use of any restricted-use pesticides, must be
32 licensed and certified pursuant to State of Wisconsin Laws and Regulations.
33 Sufficient employees shall be hired to adequately staff the course at all times the
34 course is open. The Lessee shall be an Equal Opportunity Employer.
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- 36 7. A. Lessee shall operate the leased premises as public golf courses.
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- 38 B. Lessee shall establish the 2006 fee schedule based on the 2005 fee
39 schedule and the following annual fee increase guidelines.
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- 41 C. Fee increases are divided into three (3) categories:
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- 43 1) Lessee may increase fees by a percentage not to exceed 1% over
44 the previous year's increase in the Consumer Price Index, National,
45 All Urban Consumers (all items) [CPI] without any County approval.
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5 2) Any fee increase exceeding 1% over the previous year's increase
6 in the CPI shall require approval of the Racine County Public
7 Works, Parks and Facilities Committee.

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9 3) Any fee increase which exceeds twice the increase in the CPI for
10 the previous year, with November being the last month, must be
11 approved by the full Racine County Board of Supervisors.

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13 If a fee request is made to the Public Works, Parks and Facilities
14 Committee or the County Board, such request must be submitted to
15 the County on or before March 1st of any golf year and substantially
16 by earnings/loss audit statements or other documented
17 circumstances. Adjusted fees shall be rounded to the nearest five
18 cents.

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20 8. Lessee shall, throughout the term of the Lease, at its own cost, and without any
21 expense to the County, keep and maintain the premises, including all structures
22 and improvements of every kind which may be a part of the golf course facilities,
23 including the heating, ventilating and air conditioning systems; electrical,
24 plumbing and sewer lines; hot water heaters and water softener systems; fire
25 suppression and exhaust systems; building security systems; emergency lighting
26 systems and the like, in as good or better a condition than said structures and all
27 improvements thereon were in at the beginning of the initial term of the Lease,
28 reasonable wear and tear expected.

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30 9. The County shall be responsible for major repairs that are not caused by
31 vandalism, fire or other casualty. Major repairs shall be defined as structural
32 repairs, including, but not limited to such categories as: the building floors
33 (excluding carpeting and tile); exterior walls and roofs; heating and air
34 conditioning systems; water and sewer laterals as well as electrical service
35 leading to the building. If major repairs are required because of neglect or lack of
36 regular maintenance of the facilities by Lessee, the Lessee shall be responsible
37 for all repairs or replacements at its own cost, and without any expenses to the
38 County.

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40 10. Such other terms and conditions as the Finance Director, the Public Works
41 Director and the Corporation Counsel deem necessary and proper.

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

1 Resolution No. 2005-116
2 Page Four

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1st Reading _____

2nd Reading _____

BOARD ACTION
Adopted _____
For _____
Against _____
Absent _____

VOTE REQUIRED: Majority

Prepared by:
Corporation Counsel

Respectfully submitted,

**PUBLIC WORKS, PARKS AND FACILITIES
COMMITTEE**

Gilbert Bakke, Chairman

Hubert H. Braun, Vice-Chairman

Daniel F. Sharkozy, Secretary

Karen A. Nelson

Robert Grove

INFORMATION ONLY

WHEREAS, the current lease for the operation of the golf courses at Ives Grove and Browns Lake expires as of December 31, 2005; and

WHEREAS, the Racine County Public Works Department developed and sent out a Request for Proposals to interested parties for the operation of the golf courses at Ives Grove and Browns Lake; and

WHEREAS, a number of proposals were received by Racine County and evaluated by an independent three-person panel with recommendations made to the Racine County Public Works Committee; and

WHEREAS, the Racine County Public Works Committee has reviewed all proposals submitted and has determined that the proposal submitted by H&H Fairway Enterprises Inc. is in the overall best interest of the County of Racine.