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March 14, 2018

Via E-mail and facsimile

Brevard County Board of County Commissioners
2725 Judge Fran Jamieson Way
Viera, Florida 32940

LETTER OF INTENT

Dear Commissioners:

As you are already aware, our firm has the pleasure of representing The Savannahs at Sykes Creek Homeowners' Association, Inc. ("Association"). The Association has diligently been working with County staff, including the County Attorneys and the County Manager to facilitate an amicable resolution between both the County and the Association to accomplish the Commission's goal of the County no longer owning the Savannahs golf course. Therefore, we are proposing the following solution which has been fully discussed with County Attorney and County Manager:

- The Association will petition the Commission to establish a community development district ("CDD");
- Upon establishment of the CDD, the CDD and the Association will enter into an agreement with Brevard County providing the following:
 - The Savannahs golf course property will be reverted to the Association upon execution of the agreement via a quit claim deed abandoning the property to the Association;
 - The CDD and the Association will enter into an agreement for the CDD to lease the golf course property from the Association for a term of not less than twenty-five (25) years;
 - Simultaneously with the reversion of the property, the County will pay to the CDD for deferred maintenance the amount of \$320,000.00, twelve months thereafter, the County shall pay the CDD an additional \$320,000.00 and twelve months thereafter, the County shall pay the CDD a final payment of \$320,000.00;
 - The CDD's board of supervisors will be made up of members of the Association;
 - The County will provide a line of credit to the CDD for use in golf course operations and capital improvements in the amount of \$1,200,000.00 with a fixed interest rate in the amount of 1.25%¹ to be repaid over fifteen (15) years;
 - The CDD shall have the availability to take draws from the line of credit for a

¹ We understand this topic may be discussed today as to the exact interest rate

- period of twenty-four (24) months from the date of closing of the loan;
- The CDD shall be required to begin making payments to the County for repayment of the loan within ninety (90) days from the first draw, and thereafter annually on the date agreed to by the parties;
 - The Association shall obtain a surety bond to collateralize the line of credit for the CDD;
 - The Commission will obtain a predetermination letter from the Brevard County Property Appraiser determining the tax exemption status of the golf course property;
 - The agreement between the Association, the CDD and the County shall limit the County's responsibility for storm water management to property owned by the county, beneath public rights of way, or property for which the County has an easement to maintain, with the division of responsibility for storm water management, to be reviewed and approved by the parties and St. Johns Water Management District;
 - The CDD and Association shall enter into an agreement with County for reclaimed water supply;
 - The Association shall agree to quit claim deed the western portion of Tract 6 from Plat Book 35, Page 56 in the public records of Brevard County, Florida for continued use by the County as a mosquito impoundment and to be maintained by the County;
 - The agreement between the Association, the CDD and the County shall also include any easements necessary between the parties for maintenance or ingress/egress;
 - The Association agrees to execute a hold harmless agreement and release the County of all claims related to the golf course property; and
 - Lastly, we request that the County Manager and County Attorney be given authority from the Board to negotiate the terms of the agreement and the line of credit with all documents to come back before the Commission for approval and execution.

Sincerely,



Sonia A. Bosinger, Esq.

It is the intent of the Brevard County Board of County Commissioners to approve the above agreement with the above terms between The Savannahs at Sykes Creek Homeowners' Association, Inc. and Brevard County, and schedule a public hearing upon petition to establish a community development district at the earliest convenient date.

Rita Pritchett, Chair

Date

Lewis, Sally A

From: Donner, Mary Ellen
Sent: Thursday, March 15, 2018 10:12 AM
To: Lewis, Sally A
Cc: Liesenfelt, Jim
Subject: FW: Please Restore Spessard Holland Legendary Golf Range
Importance: High

Good Morning:

I received this email regarding Spessard Holland golf course and the golf workshop today.

I am not exactly sure what to do with it.

Mary Ellen

Mary Ellen Donner, CPRP
Parks and Recreation Director
2725 Judge Fran Jamieson Way, Bldg B
Viera, FL 32940
Phone (321) 633-2046 (x32)
Email maryellen.donner@brevardparks.com
Web www.brevardparks.com



From: tinterapalmisle [<mailto:tinterapalmisle@charter.net>]
Sent: Thursday, March 15, 2018 10:09 AM
To: Donner, Mary Ellen
Cc: Wojciechowski, Larry; RFT
Subject: Please Restore Spessard Holland Legendary Golf Range
Importance: High

Mary Ellen and Larry,

Robert Tintera here, I won't be able to make the meeting today, regretfully (I have guests from out of town). Rather than deal with all 3 Brev golf courses, I will assure you, bring the range back @ Spessard, use the plastic balls we already own, have it picked by help there now, add NO help or salary expense, charge \$4.00 per bucket, you WILL sell 40-70 buckets a day!

THAT revenue can't hurt, and remember, MANY golfers stop to hit balls who DON'T time to play, (they have, like me, an avid golfer, 1 hour to practice, but not 4 hrs to play).

Lastly, reasoning wise, there is NO golf range for 45 min either way, N or S on A1A..please think of the Brev consumer, we need it back!!

Thank you for sharing my comments today, formerly in your meeting. Willing to assist and meet @ Spessard if I can?

Robert Tintera
6355 S A1A, Melb Bch, Fl, 32951
314 393 4417

Robert Tintera
314-393-4417

Aquarina Golf Course

March 15, 2018

Ann Bruns, President Aquarina Golf Inc.

Aquarina Golf

vs. Spessard Holland Golf

- Par 62 Executive Course
 - Open to the public
 - Increasing rounds per year
 - Full service restaurant / bar
 - Investing heavily in our course's future and condition
 - Community support in subsidy and volunteerism
- Par 67 Executive Course within 10 miles of Aquarina
 - Open to the public drawing from the same geographic market on the barrier island
 - Decreasing rounds per year
 - Snack Bar
 - Deferring long term maintenance / costs are increasing

Direct and Indirect County Taxpayer Subsidies

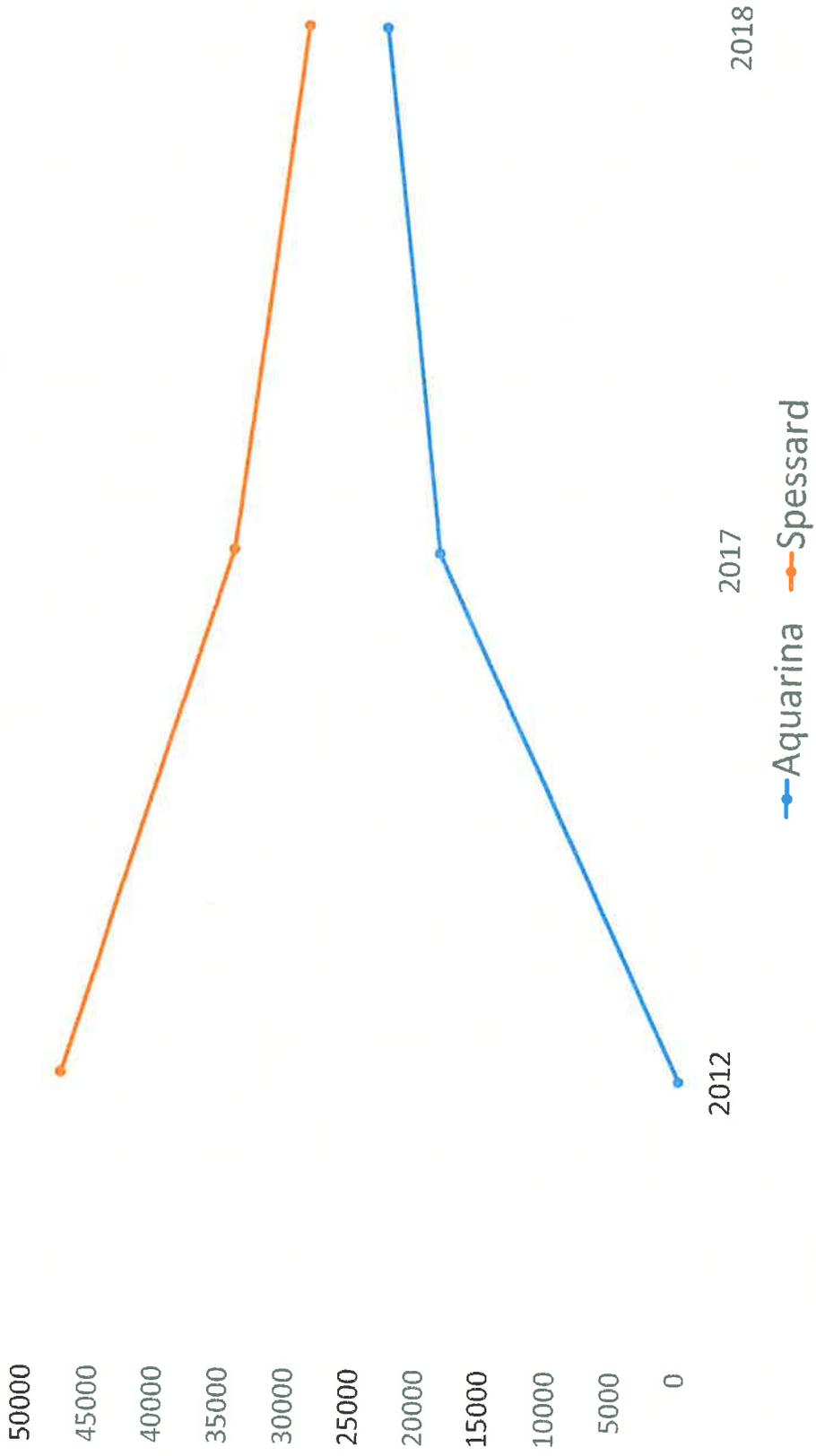
Direct Taxpayer Subsidy

- County Course Budget deficits

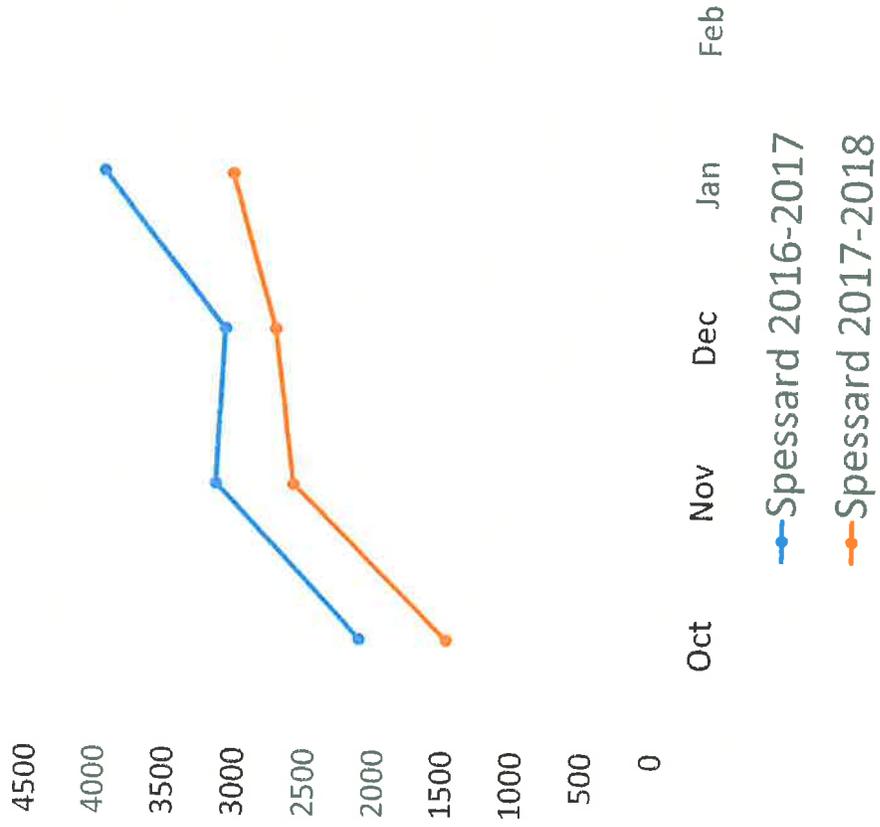
Indirect Taxpayer Subsidies

- Real estate taxes on course land and personal property taxes
- Sales tax on purchases
- Water / maintenance costs of well
- Other county services performing work for golf course at their expense
 - Parking lot, cart paths, etc.

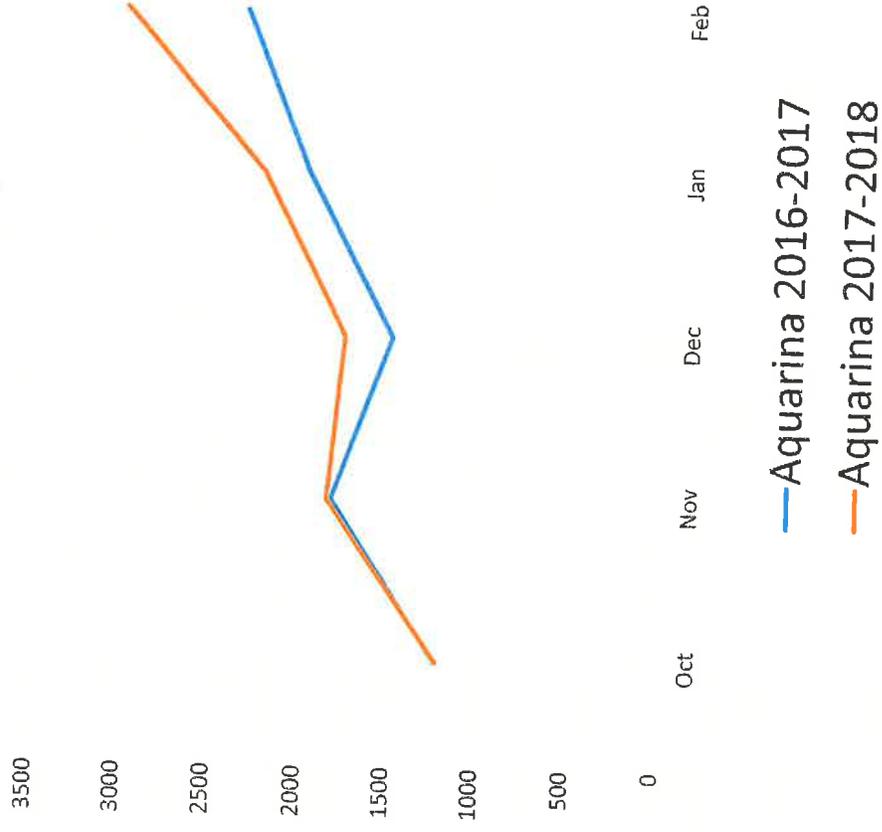
Annual Rounds of Golf



Spessard Holland 2016 vs 2017



Aquarina 2016 vs 2017



Bottom line

- Aquarina is taking market share. Aquarina rounds played are up 17% in January and 28 % in February
- Spessard Rounds are decreasing
- Spessard prices are lowered to attract business(even in peak season)
- Resulting in less Spessard revenue and larger deficit from budget
- Less revenue means more deferred maintenance at Spessard
- Requiring Higher Taxpayer subsidy
- In summary, less than 1% of County residents are playing the 3 Brevard Co. courses ; 100% of the taxpayers are subsidizing them
- Given the data shown, how can you believe Spessard Holland will meet the increased forecast of \$260K in profits while the real YOY rounds played to date are down 19% ?

Meeting Date
1-26-2016



AGENDA	
Section	Unf. Business
Item No.	IA.

AGENDA REPORT
BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	<p>Resolution, Interlocal Agreement, and County Deeds re: Conveyance of Palm Bay Regional Park and the Greater Palm Bay Senior Center to the City of Palm Bay and Re: Second Amendment to Palm Bay Aquatic Center – Districts 3 & 5</p> <p>Fiscal Impact:</p> <ul style="list-style-type: none"> Year 1 - Payment to City of Palm Bay of \$502,235. Annual savings of \$138,381. Year 2 - Payment to City of Palm Bay of \$753,353. Annual savings of \$207,576. Year 3 - Payment to City of Palm Bay of \$566,796. Annual savings of \$394,133. Year 4 - Payment to City of Palm Bay of \$566,796. Annual savings of \$394,133. Year 5 - Payment to City of Palm Bay of \$566,796. Annual savings of \$394,133. No payments are scheduled after the initial five (5) year term of this Interlocal Agreement. <p>Fiscal Impact of \$1,528,356 in direct savings plus additional savings from capital expense avoidance over the five (5) year term of this Interlocal Agreement. Thereafter, an annual savings of \$960,929 in direct costs plus capital expense avoidance will be realized.</p>
DEPT/OFFICE:	Community Services Group / Parks and Recreation Department

Requested Action:
It is requested the Board approve the Resolution, Interlocal Agreement, and Deeds for the conveyance of Palm Bay Regional Park and the Greater Palm Bay Senior Center to the City of Palm Bay; approve the Second Amendment to the Agreement for the Palm Bay Aquatic Center and authorize the Chair to execute such documents. It is further requested the Chair be authorized to execute all budgetary documents needed to effectuate the terms of these agreements.

Summary Explanation & Background:
Brevard County staff and City of Palm Bay Parks and Recreation representatives have held numerous meetings to discuss and negotiate contractual language to facilitate a seamless transition, contingent upon both Board and City Council approval, for the conveyance of Palm Bay Regional Park and the Greater Palm Bay Senior Center. Property for the 200 acre Palm Bay Regional Park was conveyed to Brevard County by the City of Palm Bay in 1990. Initially developed through various grant sources, the majority of the current improvements in the Park were constructed through funding from the 2000 and 2006 voter approved Parks Referendums. The Greater Palm Bay Senior Center property (6.11 acres) was acquired by Brevard County in 1972. The Senior Center was constructed in 1989 and is leased to and operated by Greater South Brevard Senior Citizen Center, Inc., a not for profit organization. The City of Palm Bay has indicated that it will continue to lease the Senior Center to the Greater South Brevard Senior Citizen Center, Inc.

The Palm Bay Aquatic Center was constructed on the campus of Eastern Florida State College in Palm Bay with a four (4) agency partnership by the College, the City of Palm Bay, the School Board of Brevard County and the Board of County Commissioners. The 2000 voter approved Parks Referendum was the funding source of the County's financial participation. Approval of the Second Amendment removes the Board of County Commissioners from this agreement and will require the execution of the three (3) remaining agencies at their subsequent public meetings for the execution of a new, three (3) agency agreement. Eastern Florida State College is the owner of the Palm Bay Aquatic Center, however; the City of Palm Bay shall assume the County's obligation to operate and maintain the Aquatic Center. This final agreement (second amendment to the Agreement) may be revised by the remaining three (3) agencies but no additional duties and responsibilities shall be assumed by the Board of County Commissioners outside of those herein provided by the agreement.

Clerk to the Board Instructions:

Exhibits Attached: Resolution, Interlocal Agreement, Deed, Map

Contract /Agreement (If attached): Reviewed by County Attorney		Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	PR	<input type="checkbox"/>
County Manager	Assistant County Manager, Frank Abbate	Jack Masson, Parks & Recreation Department Director 633-2046; jack.masson@brevardparks.com					
Stockton Whlitten, County Manager	Assistant County Manager, Venetta Valdango <i>Venetta Valdango</i>						

AGENDA REPORT

SUBJECT: Resolution, Interlocal Agreement, and County Deeds; Second Amendment to Agreement: Re: Conveyance of Palm Bay Regional Park and the Greater Palm Bay Senior Center to the City of Palm Bay – District 5

There are 18 positions (15 ½ FTE) currently employed by Brevard County at Palm Bay Regional Park and the Palm Bay Aquatic Center. These employees will be given the opportunity to apply and interview for employment with the City of Palm Bay. If any of the employees are not selected or prefer to continue employment with Brevard County, all available measures will be taken to ensure continuation of employment with Brevard County.

In regular session on January 12, 2016, the Board of County Commissioners directed staff to include in the Interlocal Agreement that the City shall provide business plans and the plans should explain how the City shall, at a minimum, provide the same level of service currently provided by the County. Additionally, all equipment and funds paid by the County to the City shall be used solely for the operation and maintenance of Palm Bay Regional Park, Palm Bay Aquatic Center and the Greater Palm Bay Senior Center. Further, the County shall have the right to inspect, audit, and examine all costs and expenses maintained by the City related to the above mentioned facilities. Finally, the City shall provide financial reports to the County, with each payment made to the City over the 5 year period, detailing the expenditures made by the City for the continued operation and maintenance of the facilities aforementioned.

Adoption of this Resolution declares the property is not needed for County purposes at this time and states the desire to enter into an Interlocal Agreement with the City of Palm Bay for the purposes of promoting public welfare, serving the public interest, and serving a public purpose. The Interlocal Agreement provides the terms between the City and County; the City will own the Park and Senior Center to use, operate, maintain, and improve for recreational use and public related activities; use of the park and Senior Center to be available to all residents and visitors with no differential in fees; reverter clause to the County if the City ceases to use the Park and Senior Center for public recreational; use and public related activities.

This request is consistent with our goal of conveying selected County owned parks within municipalities with no loss of service to the residents and visitors. In addition, this action allows the cities to manage parks within their jurisdiction.

Brevard County Code of Ordinances, Chapter 2, Section 2-241 through 2-251, establishes procedures for the sale, leasing and donation of real property. It requires the intent and County Code to be published on the County Internet and Website at least five (5) days prior to a public meeting and also requires a super majority vote by the Board. The posting requirement was successfully completed on January 5, 2016.



Aquarina Summary

- Past and future financial data and operational trends clearly show that profitability of County run golf operations cannot be achieved, with any feasible business model, without a significant change in consumer interest and demographics.
- Brevard County run golf operations cannot successfully compete with Aquarina Golf Course in the South Beach.
- Brevard County direct and hidden subsidies to golf operations creates an unfair business practice to private golf courses and a needless tax burden to County citizens
- < 1% County residents play on County golf courses.....100% of the County residents support with Tax \$
- **Close or Reduce County run golf courses.....or at least stop subsidies with taxpayer dollars**

SAVANNAHS

ANALYSIS

COUNTY COMMISSION

DISTRICT 3

BREVARD COUNTY SAVANNAHS GOLF COURSE OPTIONS 2018-2021

EXPENSES	OPTION A: COUNTY CONTRACTED MANAGEMENT (STATUS QUO)	OPTION B: HOA CDD	OPTION C: REVERSION
Debt	\$819,000 ¹	\$819,000 ¹	\$819,000 ¹
Water Management	\$32,000 ²	\$32,000 ²	\$32,000 ²
Annual Payments	\$0	\$960,000 ³	\$0
Operating Loss	\$893,000 ⁴	\$0	\$0
Capital Expenses	\$2,300,000 ⁵	\$0	\$0
TOTAL	\$4,044,000	\$1,811,000	\$851,000
Line of Credit	\$0	\$1,200,000 ⁶	\$0

¹ Debt to Solid Waste

² Parks and Recreation Department

³ Representation of Fred Shay

⁴ Based on NGF estimate of 7.1% in golf trends through 2019 plus additional FTE

⁵ Christovich Report

⁶ Representation of Fred Shay

FY 2017 GENERAL FUND PARKS AND REC BUDGET

ITEM/SERVICE	EXPENDITURES	PROPOSED CUTS
Payroll*	\$7,227,706	
Benefits	\$3,615,914	
Indirect Cost	\$126,599	
Ins: Bldg and Contents	\$150,775	
Operating Supplies	\$41,562	
Repair and Maintenance	\$136,066	
Utility Services	\$151,309	
Professional Services	\$100	
Other Contractual Services	\$12,908	
Communication and Freight Services	\$5,000	
Rentals and Leases	\$38,035	
Insurance Auto Liability	\$431	
Insurance Building and contents	\$233	
Repair and Maintenance Sercices	\$2,437	
Printing and Binding	\$1,525	
Promotional Activities	\$2,798	
Insurance Building and contents	\$233	
Repair and Maintenance Sercices	\$2,437	
Printing and Binding	\$1,525	
Promotional Activities	\$2,798	
Other Current Charge and Obligations	\$41,690	
Office Supplies	\$7,748	
Operating Supplies	\$6,901	
less amount pd other than GF	-\$38,807	
Contracted Svs, Plumb Elec AC	\$106,199	
Equipment Rental	\$8,633	
Fleet Charges and Auto Insurance	\$103,019	
IT charges	\$103,694	
Janitorial	\$27,000	
Payment to City of Melbourne	\$80,640	
Solid Waste Assessment	\$40,211	
Mowing Services	\$25,464	
Chemicals	\$68,040	
Road & Bridge charges	\$16,400	
Fuel	\$75,000	
Seasonal Camps Staffing	\$157,177	
Contracted Lawn Maint. -Outlying	\$29,041	
(Paid for by District 1 MSTU or user)	-\$140,019	
TOTAL:	\$12,238,422	

FY 2017 PARKS AND RECREATION EMPLOYEE LIST

AREA	POSITION	SALARY	\$ FROM GF	CUT LIST
Administration	Parks & Rec Department Director			
North Area Parks Operations	Parks Operations Manager	\$66,776.58	\$31,638.74	
North Area Parks Operations	Recreation Superintendent	\$49,176.66	\$23,299.90	
North Area Parks Operations	Parks Maintenance Superintendent			
North Area Parks Operations	Parks Supervisor II	\$44,511.48	\$21,089.54	
North Area Parks Operations	Parks Supervisor II			
North Area Parks Operations	Parks Supervisor II			
North Area Parks Operations	Parks Supervisor II	\$41,202.98	\$19,521.97	
North Area Parks Operations	Parks Supervisor II			
North Area Parks Operations	Cultural Center Coordinator	\$34,944.00	\$16,556.47	
North Area Parks Operations	Parks Supervisor I			
North Area Parks Operations	Parks Supervisor I			
North Area Parks Operations	Parks Supervisor I	\$33,030.40	\$15,649.80	
North Area Parks Operations	Parks Supervisor I			
North Area Parks Operations	Parks Supervisor I			
North Area Parks Operations	Parks Supervisor I			
North Area Parks Operations	Recreation Program Coordinator I			
North Area Parks Operations	Recreation Program Coordinator I			
North Area Parks Operations	Recreation Program Coordinator I	\$40,601.60	\$19,237.04	
North Area Parks Operations	Recreation Program Coordinator I			
North Area Parks Operations	Recreation Program Coordinator I			
North Area Parks Operations	Recreation Program Coordinator I			
North Area Parks Operations	Recreation Program Coordinator I			
North Area Parks Operations	Recreation Program Coordinator I			
North Area Parks Operations	Recreation Program Coordinator II	\$36,400.00	\$17,246.32	
North Area Parks Operations	Administrative Secretary			
North Area Parks Operations	Carpenter - Parks & Recreation			
North Area Parks Operations	Contract Administrator			
North Area Parks Operations	Cultural Center Aide			
North Area Parks Operations	Cultural Center Aide			
North Area Parks Operations	Department Finance Manager	\$44,472.62	\$21,071.13	
North Area Parks Operations	Electrician II - Parks & Recreation			
North Area Parks Operations	Landscape Tech - Parks & Recreation	\$43,992.00	\$20,843.41	
North Area Parks Operations	Office Assistant I			
North Area Parks Operations	Office Assistant II			
North Area Parks Operations	Office Assistant II			
North Area Parks Operations	Park Ranger I			
North Area Parks Operations	Park Ranger I			
North Area Parks Operations	Park Ranger I			
North Area Parks Operations	Parks and Recreation Storekeeper			
North Area Parks Operations	Parks Equipment Mechanic	\$41,329.60	\$19,581.97	
North Area Parks Operations	Parks Maintenance Technician			
North Area Parks Operations	Parks Maintenance Technician			
North Area Parks Operations	Parks Maintenance Technician			
North Area Parks Operations	Parks Maintenance Technician			
North Area Parks Operations	Parks Maintenance Technician	\$26,298.48	\$12,460.22	
North Area Parks Operations	Parks Maintenance Technician			
North Area Parks Operations	Parks Maintenance Technician			
North Area Parks Operations	Parks Maintenance Technician			
North Area Parks Operations	Parks Maintenance Technician	\$24,897.60	\$11,796.48	

GOLF BREVARD ANALYSIS

**COUNTY COMMISSION
DISTRICT 3**

GOLF BREVARD OPTIONS 2018-2021

EXPENSES	OPTION A: STATUS QUO	OPTION B: GOLF BREVARD	OPTION C: PASSIVE PARK (SPESSARD) REVERSION (HABITAT)
Start-up Costs	\$0	\$390,000 ¹	\$0
Line of Credit	\$0	\$200,000 ²	\$0
No Interest Loan	\$0	??? ³	\$0
Annual Budget Allocation	\$0	??? ⁴	\$0
Lease	\$252,000 ⁵	\$84,000	\$0
Operating Budget	\$912,000 ⁶	\$0	\$300,000 ⁷
Capital Expenses	\$1,084,000 ⁸	\$0	\$0
TOTAL	\$2,248,000	\$674,000 + ???	\$300,000

¹ Golf Brevard Preliminary Business Plan, received 3/5/2018, J(A) Page 5

² Golf Brevard Preliminary Business Plan, received 3/7/2018, J(B) Page 5

³ Golf Brevard Preliminary Business Plan, received 3/5/2018, J(D) Page 5

⁴ Golf Brevard Preliminary Business Plan, received 3/5/2018, J(E) Page 5

⁵ County Manager's Office

⁶ Christovich Report: \$300,000-Habitat, \$612,000-Spessard Holland, Page 51

⁷ County Manager's Office: Maintenance for Spessard Holland as Passive Park

⁸ Christovich Report: \$432,000-Spessard Holland, \$652,000-Habitat, Page 52A

CITY OF BALTIMORE



REQUEST FOR SOLUTIONS GOLF COURSE MANAGEMENT SERVICES

for the
Management Lease of Municipal Golf Courses

Issued by the Baltimore City Finance Department

RFS #B50004752

Date: August 30, 2016

Message to Potential Respondents

Dear Respondent,

The City of Baltimore currently owns five (5) municipal golf courses. Since 1985, these courses have been operated by the nonprofit Baltimore Golf Management Corporation (BGMC). These courses are important community and regional resources, and the City desires to take a fresh look at these assets. Our goal is to gauge market interest from the golf management industry to explore operational alternatives and potential service enhancements for these Courses.

The City is soliciting concepts that include, but are not limited to:

- Private operation of the Courses
- Creative approaches to management or service changes for the Courses (the "Response(s)")

Based on Responses to this Request for Solutions (RFS), the City may enter into a lease agreement with one or more respondents without the issuance of a subsequent Request for Proposal (RFP).

The Response receipt deadline is **October 28, 2016 at 5:00 PM** prevailing local time. All Responses must be delivered to the following address:

City of Baltimore
Finance Department
Re: RFS # 12345678910
Attn: Jonathan Morancy
City Hall, Room 469
100 N. Holliday St.
Baltimore, MD 21202

Incomplete, late, or incorrectly submitted Responses will not be accepted. Responses by entities that do not fulfill the minimum requirements will not be accepted.

Questions regarding this RFS should be directed to Jonathan Morancy, at jonathan.morancy@baltimorecity.gov. Interested parties should make plans to attend the On-Site Pre-Response Meeting and On-Site Golf Course Tours.

Thank you,

/s/

Henry Raymond
Director of Finance

City of Baltimore
Golf Course Management RFS # B50004752

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GENERAL INFORMATION

A. PURPOSE

The purpose of this RFS is to determine the market for an interest in the operation and maintenance of the City's five (5) municipal golf courses and their related facilities, equipment, and appurtenances, which include Carroll Park, Clifton Park, Forest Park, Mount Pleasant, and Pine Ridge (the "Courses"). The City is requesting that potential respondents ("Respondent(s)") indicate their level of interest in participating in this opportunity.

Based on Responses to this RFS, the City may enter into a lease agreement with one or more Respondents without issuance of a subsequent Request for Proposal.

B. TARGET SCHEDULE

The target schedule for the RFS process is as follows:

- 1) City issues RFS: **August 30, 2016**
- 2) On-site Pre-Response Meeting: **September 28, 2016 at 10:00 a.m. EST**

A Pre-Response conference will be held for the purpose of answering questions about the RFS process and goals. Attendance at this conference is not mandatory, but is strongly encouraged. If you plan to attend, please notify Jonathan Morancy via e-mail at jonathan.morancy@baltimorecity.gov. Please submit all questions to Jonathan Morancy via email at jonathan.morancy@baltimorecity.gov, on or before September 21, 2016 by 5:00 PM. Respondents will be allowed an opportunity to ask oral questions as well.

Location: Baltimore City Hall, 100 N. Holliday St., Baltimore, MD 21202

- 3) On-Site Golf Course Tours will be conducted on the afternoon of September 28 and all day September 29. The first tour will begin at 1:00 p.m. at Carroll Park Golf Course.
- 4) Deadline for submission of Responses is **October 28, 2016 at 5:00 p.m.**

C. BACKGROUND

BGMC has been responsible for the management of the Courses for the past 31 years. The City is looking to explore other options for the management and programming of these Courses. Responses to this RFS could, but will not necessarily, result in a lease agreement with one or more Respondents without a subsequent RFP process. If determined to be in the City's best interest, however, the City may also opt to undertake a further competitive process for the operation of one or more of the Courses.

The Courses are listed and briefly described below. Further details regarding each course are provided in Appendix B.

1. Course Descriptions
Carroll Park Golf Course
9 Holes, Par 34, Opened 1923

The 9-hole Carroll Park course is the closest to Baltimore's Inner Harbor, and has operated seasonally since 2011.

Clifton Park Golf Course

18 Holes, Par: 71, Opened 1915

Baltimore's first public golf course, Clifton Park was built in 1915 on the grounds of Johns Hopkins' summer mansion. Featuring unique views of Baltimore's cityscape, the Clifton Park course also hosts a First Tee Learning Center.

Forest Park Golf Course

18 holes, Par: 71, Opened 1934

Originally a 9-hole course, Forest Park now operates as a year-round, 18-hole facility. In 2015, First Tee of Baltimore established a second Junior Golf Learning Center at Forest Park, featuring 5 target greens, practice bunkers, a putting green, and classroom.

Mount Pleasant Golf Course

18 Holes, Par: 71, Opened 1934

Month Pleasant features a classic design, and was the site of Arnold Palmer's second American tournament win as a touring professional in 1956.

Pine Ridge Golf Course

18 Holes, Par: 72, Opened 1958

Pine Ridge is one of the most picturesque golf courses in the area, and has hosted several PGA and LPGA tournaments. Pine Ridge is challenging for professionals and beginners with majestic views of the Loch Raven Reservoir.

Pine Ridge Driving Range

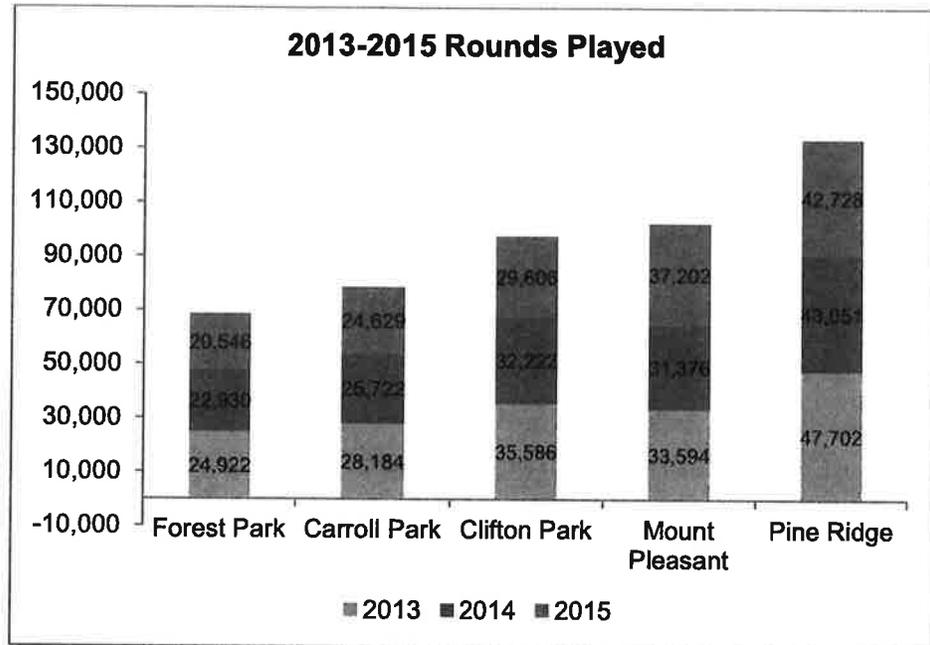
Adjacent to the Pine Ridge Golf Course, the Pine Ridge Driving Range offers:

- 22 covered pads for all weather use
- 45 lighted stations
- Putting and chipping greens
- Lessons available

2. Overview of Course Financials and Rounds

In 2015, the Courses raised \$7.1 million in revenue and expended \$6.6 million to operate, exclusive of long-term capital requirements. **Appendix B** provides a three-year summary of revenues, expenditures and rounds played.

Over the previous three years, 160,000 rounds have been played on average, with the Pine Ridge Golf Course achieving the greatest number of rounds played – an average of 44,494 rounds per year.



For many years, the BGMC provided a \$400,000 annual return on investment to the City based on the overall profitability of golf services. In more recent years, adverse industry trends and associated long-term declines in rounds played and course revenues have contributed to growing deferred maintenance challenges, and have led the City to reduce its annual payment requirement to \$200,000.

A key goal of this RFS is to explore alternatives for operating these courses that can improve financial performance and sustainability.

QUALIFICATIONS

D. GENERAL QUALIFICATIONS

This is a request for solutions only and does not constitute a commitment, implied or otherwise, that the City will initiate a procurement action in this matter.

The information collected through this RFS may be used by the City to develop future solicitations from Respondents. **Information may also be used by the City to select one or more Respondents with which the City may proceed to negotiate a formal lease agreement for management services.** Additional information may be requested and interviews may be conducted.

E. RESPONSE EXPENSE AND SUPPLIED MATERIALS

Respondents are solely responsible for all costs incurred in the development and submission of Responses to this RFS and any other presentations. All materials submitted in response to this RFS, except for proprietary materials, become the property of the City.

F. CONFIDENTIALITY

- Respondents should include two (2) Public Access Copies in the event that proprietary and/or confidential information is included in the Response. The Public Access Copies shall clearly indicate the sections that include the proprietary and/or confidential data, and clearly redact the sections or show as "redacted." The Public Access Copies will be available to the public.
- By signing and submitting a response to this RFS, Respondents acknowledge that all documents, information and data submitted in the Responses shall be treated as public information, unless otherwise identified as instructed above.
- The City shall, therefore, have the undisputed right to release any/all of the Respondents Responses, documents, information and data to any party requesting same without further permission from the Respondents.
- The City and its representatives shall in no way be responsible for inadvertent disclosure of any proprietary or confidential information.
- If a Response does contain proprietary or confidential information and the Respondent does not wish to have it disclosed, the Respondent MUST clearly state in large red letters, including on the outside front cover of the Response including all copies and on each applicable page of its original and each duplicate copy of its Response, indicating that its Response contains proprietary and/or confidential information.
- Respondents are prohibited from making an entire Response proprietary or confidential.
- The City still shall not be responsible for inadvertent disclosure or disclosure required by law.
- Respondents must provide all requested information in response to each specific question and/or any other request for information, even if the information is considered proprietary or confidential, in the order and format stipulated in this RFS. Do not give partial answers, and do not leave questions blank.

G. REPRESENTATIONS

The City will not be bound by any representations that are not set forth in the RFS.

- The Respondent is responsible for making all necessary investigations/examinations of documents, operations and premises affecting performance. Failure to do so will not act to relieve any condition of the RFS or supporting documents. It is mutually agreed that the submission of a Response shall be considered conclusive evidence that the Respondent has made such investigations/examinations.
- The Respondent may withdraw its Response at any time prior to the day/date/time which is set forth herein as the deadline for acceptance of Responses, upon written request to the Finance Director.

H. CITY'S RIGHTS AND OPTIONS

The City reserves the following rights, which may be exercised at the City's sole discretion:

- To supplement, amend, substitute or otherwise modify this RFS at any time;

- To cancel this RFS with or without the substitution of another RFS;
- To take any action affecting this RFS, this RFS process, or the services or Courses subject to this RFS that would be in the best interests of the City;
- To issue additional requests for information or solicitations;
- To require one or more Respondent to supplement, clarify or provide additional information in order for the City to evaluate the Responses submitted;
- To conduct investigations with respect to the qualifications and experience of each Respondent;
- To waive any defect or irregularity in any Response received;
- To reject any or all Responses;
- To pursue the award of all, none, or any part of the services that is in the best interest of the City, with one or more of the Respondents responding, which may be done with or without re-solicitation.
- To discuss and negotiate with selected Respondent(s) any terms and conditions in the Responses including but not limited to financial terms; and
- To enter into any agreements and/or leases deemed by the City to be in the best interest of the City, with one or more of the Respondents.

I. INDEMNIFICATION

The Respondent shall indemnify, defend and hold harmless the City and the City's officers, employees and agents from and against any and all losses, damages, costs, expenses (including reasonable attorneys' fees), obligations and other liabilities (including settlement amounts) that arise directly or indirectly from:

- Any infringement of any copyright, trademark, patent, or other intellectual property rights, or any misappropriation of any trade secrets, in connection with any software, documentation, services or other products supplied directly or indirectly by the Respondent in connection with the Response, or any allegation of any of the foregoing;
- Any act(s) of negligence or willful misconduct by the Respondent or any of its agents, employees or subcontractors (or any allegations of any of the foregoing), including but not limited to any liability caused by an accident or other occurrence resulting in bodily injury, death, sickness or disease to any person(s) or damage or destruction to any property, real or personal;
- Breach of the Respondent's obligations, representations, and/or warranties under this RFS;
- Breach of the Respondent's compliance with the law;
- Any acts or omissions of the Respondent with respect to any of the Services provided by the Respondent related to this RFS or its Response (or any allegations of any of the foregoing);
- The City's refusal to produce any item of confidential information of the Respondent after receiving a request for such item and after being instructed by the Respondent not to produce it; or

INSTRUCTIONS TO RESPONDENTS

J. RESPONSE FORMAT

Responses are to be submitted in letter size, stapled, three-ring, or spiral-bound format. One original and two (2) copies are to be provided. Responses should be in 8 ½ x 11" format with standard text no smaller than 11 point. ***If the Response includes proprietary information, the Respondent should include an additional two (2) "public access" copies of the Response with any proprietary information redacted.***

Responses are to be organized as outlined below, with individual components separated with index tabs for easy reference. Responses that do not address all the submittal requirements will not be considered. There are no limitations on the number of pages in the Response.

<u>Section</u>	<u>Description</u>
	Letter of Transmittal
	Table of Contents
1	Qualifications, Related Experience, and References
2	Response
3	Respondent's Representations and Warranties
4	Required City Forms

1. Qualifications and Related Experience

The Respondent must submit written documentation that substantiates its response to this RFS. This document should include a comprehensive list of all golfing-related clients over at least the past five (5) years, including name and location, dates of service, and designation of the services provided.

In addition, this response should provide a more detailed synopsis of at least three (3) examples of related experience that the Respondent believes best reflect its suitability to provide information on this subject. For each example, please include the following information:

- Course name or client name, location, and brief description (ownership, approximate size of organization and base of customers/constituents served)
- Specific services provided to this client
- Dates of service
- Special features, accomplishments or problems
- Contract value and compensation methodology
- Annual revenues and expenditures as well as the Respondent's assessment of the course(s) profitability and financial sustainability

This section should include references for the three (3) primary examples provided who may be contacted by the City as part of the response evaluation process. Reference information must include name, title, organization, telephone number, and email address.

2. Response

The Respondent should describe the approach to be used to operate, add services to, or otherwise optimize use of the Courses. It is the City's strong preference that the Courses continue to operate as municipal golf courses, however, proposals for adaptations to improve financial sustainability are encouraged.

Responses that address all five Courses are also preferred, however, responses related to a single course or smaller subset will be accepted and considered.

Respondents are encouraged to offer creative, market-based solutions to the management, operation, and any potential restructuring of the Courses. The information provided should include:

- a. A detailed description of the approach the Respondent would take to the management, operation, and/or adaptation of each of the Courses;
- b. A general assessment of capital investment needs and recommended approach for each of the City's five golf courses and all related facilities;
- c. A plan for how the above operational and capital approaches would be financially structured in relation to the City;
- d. Examples of how the proposed or similar approaches have been successful at other courses under the Respondent's management;
- e. Discussion of the Respondent's planned approach to youth golf and community/neighborhood relations;
- f. Discussion of Respondent's planned approach to the provision of opportunities for Minority and Women's Business Enterprises, Employ Baltimore/Local Hiring and depending on the nature of the response Living Wage (for non-construction services) and Prevailing Wage (if construction services are to be provided); and
- g. Detail regarding any other issues that require further discussion or analysis.

Specific proposals and recommendations targeted to each of the Courses are desired through this RFS. General statements and concepts not directly customized to address the particular circumstances of the Courses will be of limited value. Respondents should develop their Responses keeping in mind that the City has the ability to enter into agreements or leases without issuance of any subsequent request for proposals.

3. Respondent Financial Statements

Fully describe the business entity with which the City would enter into an agreement or lease related to the Courses. If the business entity is not the same as the parent corporation, but a subsidiary or a newly formed company, then describe the financial and legal relationship to the parent and the willingness of the parent corporation to stand behind and guarantee the commitments of the subsidiary. Also, to provide assurance of the adequacy and stability of the Respondent's financial resources to meet the requirements of the City, the Respondent shall provide audited financial statements for the Respondent's three (3) most recent fiscal years. These statements should, at a minimum, include:

- An auditor's opinion;
- Balance sheet;
- Income statement;
- Statement of changes in financial position;
- Notes to the financial statements;
- Indication of the net worth, amount of long-term debt, and the total capitalization of the company.

Respondent's financial statements for the three (3) most recent fiscal years must have been audited by an independent Certified Public Accountant. If the Respondent is a joint venture or partnership, the requirements of this paragraph shall apply to each general partner or participant in the joint venture; if the Respondent is a subsidiary, the required submissions below also apply to the parent.

4. Respondent's Representations and Warranties

The Respondent should attach additional statements, signed by an individual authorized to bind the firm, as follows:

- Describe in detail any pending legal proceedings to which the Respondent and any of its subsidiaries are a party, of which any of their property is subject, and any proceedings known to be contemplated by governmental authorities.
- State whether the Respondent has had any other prior or present contracts with the City, together with the name, address, contact, and telephone number of the contracting agency. Please include a summary of award and approximate award amount.

In addition, the Respondent should attach a statement representing and warranting each of the following items as being true and correct:

- The Respondent is a duly organized entity in good standing in its state of organization and its current, valid certificate of good standing is attached;
- Respondent has, or upon execution of an agreement pursuant to the RFS, shall have a valid business license;
- Respondent has no unpaid debt due and owing to the City, and is not delinquent in the payment of any taxes due the City;
- Date on which Respondent is able to commence operation of the golf courses

As noted previously, all costs incurred in the preparation and presentation of a Response shall be wholly absorbed by the Respondent, and any material submitted by the Respondent shall become the property of the City of unless otherwise requested at the time of submission. As also noted above, any material that is to be considered as confidential in nature must be so marked.

Form **990**
 Department of the Treasury
 Internal Revenue Service

Return of Organization Exempt From Income Tax
 Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
 Do not enter social security numbers on this form as it may be made public
 Information about Form 990 and its instructions is at www.irs.gov/form990

OMB No 1545-0047
2015
 Open to Public Inspection

A For the 2015 calendar year, or tax year beginning 01-01-2015, and ending 12-31-2015

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return/terminated
 Amended return
 Application pending

C Name of organization: BALTIMORE MUNICIPAL GOLF CORPORATION
 Doing business as:
 Number and street (or P O box if mail is not delivered to street address) Room/suite: 6131 HILLEN ROAD
 City or town, state or province, country, and ZIP or foreign postal code: BALTIMORE, MD 21239

D Employer identification number: 52-1371304

E Telephone number: (410) 444-4933

F Name and address of principal officer: JONATHON W LADD, 6131 HILLEN ROAD, BALTIMORE, MD 21239

G Gross receipts \$ 7,114,031

H(a) Is this a group return for subordinates? Yes No
H(b) Are all subordinates included? Yes No
 If "No," attach a list (see instructions)
H(c) Group exemption number ▶

I Tax-exempt status: 501(c)(3) 501(c) () ◀ (insert no) 4947(a)(1) or 527

J Website: WWW CLASSIC5GOLF.COM

K Form of organization: Corporation Trust Association Other ▶

L Year of formation 1984 **M** State of legal domicile MD

Part I Summary

1 Briefly describe the organization's mission or most significant activities:
 OPERATION OF GOLF COURSES AND DRIVING RANGES OWNED BY THE CITY OF BALTIMORE IMPROVING AND DEVELOPING THOSE GOLF COURSES

2 Check this box if the organization discontinued its operations or disposed of more than 25% of its net assets

3 Number of voting members of the governing body (Part VI, line 1a)	13
4 Number of independent voting members of the governing body (Part VI, line 1b)	13
5 Total number of individuals employed in calendar year 2015 (Part V, line 2a)	379
6 Total number of volunteers (estimate if necessary)	0
7a Total unrelated business revenue from Part VIII, column (C), line 12	116,011
7b Net unrelated business taxable income from Form 990-T, line 34	0

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	26,259	27,386
9 Program service revenue (Part VIII, line 2g)	5,792,463	5,686,739
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	13,396	118,439
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,093,075	994,021
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	6,925,193	6,826,585
13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	200,000	200,000
14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	3,894,817	3,823,004
16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b Total fundraising expenses (Part IX, column (D), line 25) ▶ ⁰		
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	3,304,205	3,166,188
18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	7,399,022	7,189,192
19 Revenue less expenses Subtract line 18 from line 12	-473,829	-362,607

	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)	6,469,305	6,093,484
21 Total liabilities (Part X, line 26)	2,648,202	2,634,988
22 Net assets or fund balances Subtract line 21 from line 20	3,821,103	3,458,496

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
 Signature of officer: JONATHON W LADD EXECUTIVE DIRECTOR
 Type or print name and title

Paid Preparer Use Only
 Preparer's name: JAMES J DOUGHERTY CPA
 Preparer's signature: JAMES J DOUGHERTY
 Firm's name: DIXON HUGHES GOODMAN LLP
 Firm's address: 809 GLEN EAGLES COURT SUITE 200, BALTIMORE, MD 21286

Form **990**

Return of Organization Exempt From Income Tax

OMB No 1545-0047

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

Do not enter social security numbers on this form as it may be made public
Information about Form 990 and its instructions is at www.irs.gov/form990

2014

Open to Public Inspection

A For the 2014 calendar year, or tax year beginning 01-01-2014, and ending 12-31-2014

B Check if applicable:
 Address change
 Name change
 Initial return
 Final return/terminated
 Amended return
 Application pending

C Name of organization: **BALTIMORE MUNICIPAL GOLF CORPORATION**
 Doing business as: _____
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite: **6131 HILLEN ROAD**
 City or town, state or province, country, and ZIP or foreign postal code: **BALTIMORE, MD 21239**

D Employer identification number: **52-1371304**
E Telephone number: **(410) 444-4933**
G Gross receipts \$ **7,247,640**

F Name and address of principal officer:
JONATHON W LADD
6131 HILLEN ROAD
BALTIMORE, MD 21239

H(a) Is this a group return for subordinates? Yes No
H(b) Are all subordinates included? Yes No
 If "No," attach a list (see instructions)
H(c) Group exemption number ▶ _____

I Tax-exempt status: 501(c)(3) 501(c) () ◀ (insert no) 4947(a)(1) or 527

J Website: ▶ **WWW.CLASSIC5GOLF.COM**

K Form of organization: Corporation Trust Association Other ▶ _____
L Year of formation: **1984** **M** State of legal domicile: **MD**

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities OPERATION OF GOLF COURSES AND DRIVING RANGES OWNED BY THE CITY OF BALTIMORE IMPROVING AND DEVELOPING THOSE GOLF COURSES		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	11
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	11
	5 Total number of individuals employed in calendar year 2014 (Part V, line 2a)	5	373
	6 Total number of volunteers (estimate if necessary)	6	0
	7a Total unrelated business revenue from Part VIII, column (C), line 12	7a	8,973
7b Net unrelated business taxable income from Form 990-T, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	36,360	26,259
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	5,966,825	5,792,463
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,969	13,396
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,003,596	1,093,075
	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	7,009,750	6,925,193
	14 Benefits paid to or for members (Part IX, column (A), line 4)	200,000	200,000
Expenses	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	0
	16a Professional fundraising fees (Part IX, column (A), line 11e)	3,830,922	3,894,817
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ ⁰	0	0
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	3,322,561	3,304,205
	18 Total expenses Add lines 13–17 (must equal Part IX, column (A), line 25)	7,353,483	7,399,022
	19 Revenue less expenses Subtract line 18 from line 12	-343,733	-473,829
	Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year
21 Total liabilities (Part X, line 26)		7,128,024	6,469,305
22 Net assets or fund balances Subtract line 21 from line 20		2,833,092	2,648,202

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including any schedules or attachments, and the information therein is true, correct, and complete. Declaration of preparer (other than the taxpayer) is based on preparer's knowledge and belief.

Sign Here

Signature of officer: _____
JONATHON W LADD EXECUTIVE DIRECTOR
 Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name: **JAMES J DOUGHERTY CPA** Preparer's signature: **JAMES J DOUGHERTY CPA**
 Firm's name: ▶ **STEGMAN & COMPANY**
 Firm's address: ▶ **405 E JOPPA RD SUITE 100**
BALTIMORE, MD 21286

May the IRS discuss this return with the preparer shown above? (see instructions) _____
For Paperwork Reduction Act Notice, see the separate instructions.

Form **990**

Return of Organization Exempt From Income Tax

OMB No 1545-0047

Department of the Treasury
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

2013

Open to Public Inspection

Do not enter Social Security numbers on this form as it may be made public. By law, the IRS generally cannot redact the information on the form.
Information about Form 990 and its instructions is at www.irs.gov/form990

A For the 2013 calendar year, or tax year beginning 01-01-2013, 2013, and ending 12-31-2013

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization BALTIMORE MUNICIPAL GOLF CORPORATION Doing Business As		D Employer identification number 52-1371304
	Number and street (or P O box if mail is not delivered to street address) Room/suite 6131 HILLEN ROAD		E Telephone number (410) 444-4933
	City or town, state or province, country, and ZIP or foreign postal code BALTIMORE, MD 21239		G Gross receipts \$ 7,300,828
	F Name and address of principal officer JONATHON W LADD 6131 HILLEN ROAD BALTIMORE, MD 21239		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)
I Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) () (insert no) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(c) Group exemption number ▶	
J Website: WWW CLASSIC5GOLF.COM			
K Form of organization <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		L Year of formation 1984	M State of legal domicile MD

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities OPERATION OF GOLF COURSES AND DRIVING RANGES OWNED BY THE CITY OF BALTIMORE IMPROVING AND DEVELOPING THOSE GOLF COURSES		
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	3	Number of voting members of the governing body (Part VI, line 1a)	9
	4	Number of independent voting members of the governing body (Part VI, line 1b)	9
	5	Total number of individuals employed in calendar year 2013 (Part V, line 2a)	376
	6	Total number of volunteers (estimate if necessary)	0
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0
7b	Net unrelated business taxable income from Form 990-T, line 34	0	
Revenue	8	Contributions and grants (Part VIII, line 1h)	Prior Year: 4,792 / Current Year: 36,360
	9	Program service revenue (Part VIII, line 2g)	6,474,095 / 5,966,825
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,170 / 2,969
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,178,061 / 1,003,596
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	7,659,118 / 7,009,750
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	300,000 / 200,000
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0 / 0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	3,898,947 / 3,830,922
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0 / 0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ ⁰	
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	3,430,053 / 3,322,561	
18	Total expenses Add lines 13-17 (must equal Part IX, column (A), line 25)	7,629,000 / 7,353,483	
19	Revenue less expenses Subtract line 18 from line 12	30,118 / -343,733	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	Beginning of Current Year: 7,599,309 / End of Year: 7,128,024
	21	Total liabilities (Part X, line 26)	2,960,644 / 2,833,092
	22	Net assets or fund balances Subtract line 21 from line 20	4,638,665 / 4,294,932

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	***** Signature of officer
	JONATHON W LADD EXECUTIVE DIRECTOR Type or print name and title
Paid Preparer Use Only	Print/Type preparer's name GERALD A WALSH CPA
	Preparer's signature
	Firm's name ▶ STEGMAN & COMPANY Firm's address ▶ 405 E JOPPA RD SUITE 100 BALTIMORE, MD 21286

May the IRS discuss this return with the preparer shown above? (see instructions)

Three Year Revenue, Rates and Expenses and Cumulative Cash Flow

Summary	Rounds	Revenue	Expenses	Margin	Rev/Rnd
YR 1	73000	\$2,056,102	\$2,088,000	-\$31,898	\$28.17
YR2	76650	\$2,235,557	\$2,119,320	\$116,237	\$29.17
YR3	78174	\$2,358,185	\$2,151,096	\$207,089	\$30.17

Assumptions

Rounds- Year 1 = five year average for both courses. Year 2 = 5% increase due to marketing and improved conditions. Year 3 = 2% increase
 Revenue - Year 1 = \$2 maintenance fee per round. Year 2 = \$1 dollar per round rate increase. Year 3 = \$1 per round rate increase
 Expenses - Per Golf Brevard budget for Year 1 and 1..5 % increase for Year 2 and 3.

Year 1

	Oct 2018	Nov	Dec	Jan 2019	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Totals
Rounds	2500	2900	3000	3700	4200	4400	3500	2700	2400	2300	2200	2000	35800
Revenue per round	\$24.45	\$24.45	\$34.45	\$34.45	\$34.45	\$34.45	\$34.45	\$34.45	\$24.45	\$24.45	\$24.45	\$24.45	\$30.46
Total revenue	\$61,125	\$70,905	\$103,350	\$127,465	\$144,690	\$151,580	\$120,575	\$93,015	\$58,680	\$56,235	\$53,790	\$48,900	\$1,090,310
Expenses	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$1,080,000
Margin	-\$28,875	-\$19,095	\$13,350	\$37,465	\$54,690	\$61,580	\$30,575	\$3,015	-\$31,320	-\$33,765	-\$36,210	-\$41,100	\$10,310

The five year average revenue per round = \$28.45

Spessard

	Oct 2018	Nov	Dec	Jan 2019	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Totals
Rounds	2600	2800	3000	3800	4400	4800	3700	3000	2500	2300	2200	2100	37200
Revenue per round	\$19.86	\$19.86	\$29.86	\$29.86	\$29.86	\$29.86	\$29.86	\$29.86	\$19.86	\$19.86	\$19.86	\$19.86	\$25.96
Total revenue	\$51,636	\$55,608	\$89,580	\$113,468	\$131,384	\$143,328	\$110,482	\$89,580	\$49,650	\$45,678	\$43,692	\$41,706	\$965,792
Expenses	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$1,008,000
Margin	-\$32,364	-\$28,392	\$5,580	\$29,468	\$47,384	\$59,328	\$26,482	\$5,580	-\$34,350	-\$38,322	-\$40,308	-\$42,294	-\$42,208

The five year average revenue per round = \$23.86

	Oct 2018	Nov	Dec	Jan 2019	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Totals
Net Cash/Month	-\$61,239	-\$47,487	\$18,930	\$66,933	\$102,074	\$120,908	\$57,057	\$8,595	-\$65,670	-\$72,087	-\$76,518	-\$83,394	-\$31,898
Cumulative Cash Flow	-\$61,239	-\$108,726	-\$89,796	-\$22,863	\$79,211	\$200,119	\$257,176	\$265,771	\$200,101	\$128,014	\$51,496	-\$31,898	-\$31,898

Preliminary Business Plan for “Golf Brevard”

A. Mission

Create a public (**Brevard County**) – private (“**Golf Brevard**”) partnership that will establish a long term relationship to retain **The Habitat** and **Spessard Holland** as affordable, aesthetically pleasing, well-maintained golf courses in a manner that creates long-term financial stability while ensuring affordable access to all Brevard County residents and visitors.

B. Vision

We believe that **The Habitat** and **Spessard Holland** golf courses are unique properties that if properly maintained and marketed will return to profitability. While there are other public golf courses in Brevard, none offers the combination of natural beauty, course design elements and sense of community that are found at **The Habitat** and **Spessard Holland**.

C. Governance and Management Structure

“**Golf Brevard**” will be established as a 501(c)3 nonprofit corporation that will assume full managerial and operational control over **The Habitat** and **Spessard Holland** golf courses. “**Golf Brevard**” will be governed by an independent, rotating seven member voluntary Board of directors with the responsibility for developing and adhering to policies for:

- a. End results (what is to be achieved at what cost)
- b. Executive limitations (what the Director of Golf cannot do)
- c. Board/executive linkage (how the board monitors golf course operations)
- d. Governance process (how the board governs itself)

The Board of Directors will hire a professional Director of Golf who will have complete operations and maintenance control of the two courses within parameters established by the Board. Nominations for Board membership will be sought from community leaders. Candidates will be selected on their demonstrated ability to:

- a. Connect with our local golf community
- b. Think in terms of systems and context and see the big picture
- c. Think long term and strategically
- d. Assess the values underlying actions taken and formulate policy based on them.

The initial board will be chaired by a local business leader with a love for golf who will select three other board members. Two board members will be selected from nominations by golfers at **Spessard Holland** golf course and **The Habitat** (they will not serve as representatives of a respective course, but as representatives of the local golf community). One member will be a key executive of Brevard County government, preferably the county manager or assistant county manager.

Initial board members will be appointed to 1, 2 and 3 year terms, with subsequent appointments to be for 3 years.

D. The Golf Courses: Available to the county in previous consultants’ reports

E. Market Analysis: Available to the county in previous consultants’ reports.

F. Marketing Strategies

Deteriorated playing conditions, confusion created with the change in management in both 2016 and 2017 and current uncertainty as to the future of the courses have resulted in a significant decline in utilization by individuals and groups. Understanding that **The Habitat** and **Spessard Holland** are community golf courses with the majority of players being Brevard County year-round and seasonal residents, "**Golf Brevard's**" marketing plan will focus on reaching out to local surrounding communities to reestablish **The Habitat** and **Spessard Holland** golf courses as prime golfing locations on the Space Coast. The marketing initiatives will include, but are not limited to:

- a. Convert "prepaid annual greens fees" to Memberships, reinforcing the existing sense of community through recognition of member status.
- b. Offer reduced fee, restricted memberships to drive tee times to underutilized times of the day or week.
- c. Redesign on-line marketing to capitalize on the Audubon Sanctuary characteristics of **Spessard Holland** and **The Habitat**, focusing on what golfers love: ocean-to-river location of **Spessard Holland** and no-homes-in-sight location of **The Habitat**.
- d. Create programming events such as "Wine and Nine" or "new golfer" initiatives with adjacent communities (Breakers Condo Assn., The Waters, Melbourne Beach Mobile Home Park and adjacent subdivisions).
- e. Coordinate with Amy Gregory, **Spessard Holland** golfer and assistant professor of University of Central Florida, to mine her knowledge of consumer behavior, marketing and consumer willingness to pay.
- f. Enhance relationships with formal/informal league play by providing increased level of services for record keeping, tee time planning, recruitment of players, and communication via website.
- g. Especially at **Spessard Holland**, create opportunities for the general public to utilize golf facilities, i.e. clubhouses, snack bars, evening walking trails, and putting greens.
- h. Establish relationships with nearby homeowners associations or contiguous neighbors to provide group incentives for golf course use and to solve mutual problems.
- i. Develop new golfer clinics.
- j. Sponsor low dollar entry specialty tournaments for seniors, couples, parent and child, or other groups.
- k. Develop a clearly communicated mechanism for community organizations to access services related to charity/fund raising tournaments.

G. Revenue and Expense Summary:

Revenue: Revenue projections for both courses are detailed in the attached **Three Year Revenue, Rates and Expenses and Cumulative Cash Flow**

Snack bar and merchandising services will be provided as an adjunct to golf course operations, with both services anticipated as contributing in a limited degree to course financial success.

As part of the investigative effort, "**Golf Brevard**" was advised by several golf course professionals regarding pathways to financial success. The major theme expressed by each advisor was that county courses were not charging sufficiently for services.

Meetings and discussions with average golfers at both courses indicate a willingness to pay more for services if both courses remain open and are maintained in excellent condition throughout the calendar year.

Feedback received from golf professionals and the golfing community led to the following long term pricing strategies that constitute foundational assumptions for revenue generation:

- a. A maintenance fee of \$2.00 per round would be communicated and assessed at time of tee time booking.
- b. Published rates for non-annual and non-discount card holders will be CPI indexed to remain sufficient to meet course operating and capital improvement requirements
- c. Pricing policies will be reviewed and renegotiated with Golf Now with the goal of reducing the number (currently at 7200) of non-reimbursed rounds allocated to Golf Now.

The other driver of revenue generation is rounds played. Modest and relatively conservative estimates of increased activity will be generated by marketing activity that builds upon the sense of community existing at both Spessard Holland and The Habitat. First year projection of rounds played is 1.75% below the historical mid-range of rounds played at both courses over the past five years. The average number of rounds for both courses over the past 5 years is 74,300.

Expenses: Monthly fluctuations in cash flow are a significant challenge to golf course operations. High fixed costs are incurred in advance, only to be recovered months later in high season. Brevard County has faced this issue annually. Similar negative cash flows are anticipated by Golf Brevard, also.

Expenses fall into four broad categories: general and administrative; golf operations; capital improvement and golf course maintenance.

General and administrative includes utilities, insurance, licenses, permits, etc. All contracts and agreements will be reviewed but are not anticipated to yield savings to any significant degree.

Golf operations is primarily labor, including management, pro shop and outside customer support. "**Golf Brevard's**" proposed budget includes minimum staffing at minimum wage level required to attract highly qualified personnel.

While the *capital improvement* requirements (over \$1 million by some estimates) are significant, the first year operating budget includes a limited amount for capital repair and maintenance--\$50,000 for each course.

The first year of operations is viewed as a transition year focused on improving playing conditions, analyzing existing contracts for potential savings and implementing marketing strategies designed to increase revenue. We intend to allocate excess revenue in future years to repayment to the County of transitional operating funds, completing capital improvement requirements and increasing awareness in Brevard County of the benefits of golf.

The largest expense, approximately 60% of budget, is *golf course maintenance*. "**Golf Brevard**" intends to initially retain the current contractor, but will immediately negotiate a rate that ties compensation to standards of performance. Within the first year of operation, "**Golf Brevard**" will evaluate contractor's performance to determine if more effective and economical control could be obtained by utilizing in house labor. Improving/enhancing course conditions is a key aspect of generating repeat play, thus improved revenue.

H. Cash Flow Summary/Source of Funds Analysis

“**Golf Brevard**” requests sufficient first year funding to cover potential losses and provide a reserve fund for ongoing operations. Any funds not required for operations and reasonable reserves will be allocated to remediating existing deferred maintenance and repairs. We believe it counterproductive to both Golf Brevard and the County for “**Golf Brevard**” to be placed in a position of repeatedly coming back to the County for operating funds needed during the first two years of operation. We believe cash flow requirements should be recognized in advance and funded appropriately.

Cash flows will be enhanced by providing access to 12-month memberships year round, rather than restricting them to the calendar year.

Although there is significant potential for charitable contributions to “**Golf Brevard**” for capital improvements to the courses, they are not considered as part of initial cash flow projections. PGA golf professional and 2014 PGA FedEx Cup champion Billy Horschel has endorsed Golf Brevard, and approaches are being made to the PGA of America and the USGA for financial and agronomic assistance based on the innovative, non-profit model offered by “**Golf Brevard**”. By supporting a successful program in Brevard, they may be able to provide a model to increase viability for other publicly owned courses.

Negative cash flows are expected to occur in the fall and summer of the first two years of operation.

I. Timeframe and Transition

We propose that “**Golf Brevard**” become operational 1 October 2018, although we are open to other inception dates at the County’s request. The transition to Integrity Golf in 2016 was hasty and chaotic, resulting in significant business loss and a lengthy recovery period. Closure of restaurant facilities fractured social networks, especially at **Spessard Holland**, and moved golf groups to other venues. Integrity Golf’s exit was as harmful as its entrance, leaving the county with unexpected costs that decimated golf’s enterprise fund. Unlike previous transitions, “**Golf Brevard**” intends a transition that is seamless with no negative impact or inconvenience to the golfing public. The October date:

- a. Coincides with the County fiscal year, allowing time for the County to develop a golf course budget for FY2019
- b. Allows “**Golf Brevard**” sufficient time to incorporate and organize
- c. Allows “**Golf Brevard’s**” Board opportunity to develop operating policies and approve budget
- d. Allows opportunity to complete search, do due diligence and relocate, if necessary, Director of Golf
- e. Develop operations transition plan with IGM, the current manager

An alternative inception date of January 1, 2019 would significantly reduce the amount of first year funding required, as the county would bear the responsibility for negative cash flow in the 4th quarter of the calendar year, as well the risks of a major fall storm.

J. Partnership Support

The goal of “**Golf Brevard**” is to create a mutually beneficial relationship by continuing to offer Brevard County residents a community-focused golfing experience and to relieve County government of the challenges of managing golf courses. To be successful, “**Golf Brevard**” requires support during the transitional year—however, that support is expected to be considerably less than ongoing county operation of the courses. We expect to create a charitable foundation to augment revenue and to allow

for capital improvements, though we realize that fund raising can be a long and sometimes difficult process.

Therefore, **"Golf Brevard"** requests the county to provide initial support through:

- a. A startup/transition fund for the purpose of covering initial expenses, protecting against potential losses in the first year and covering repairs necessary to maintain golf operations. The amount required depends upon the agreed upon inception date--\$250,000 if Golf Brevard assumes operations on January 1, 2019 or \$390,000 if on October 1, 2018. Startup/transition fund would be repaid from excess future revenue.
- b. A \$200,000 line of credit to serve as collateral for lease agreements and cover unexpected expenses such as storm damage.
- c. Contingent on fulfilling mutually agreed performance criteria, the opportunity to negotiate a long term operating agreement for the golf courses.

GOLF BREVARD STEERING COMMITTEE

Tom Becker, Chair

Tom brings successful business and non-profit leadership experience to Golf Brevard. Tom retired in 2003 from The Bradford Group, Inc., a Michigan mortgage lending company he founded in 1988. Tom led innovation in the mortgage industry in the 90s that brought mutually beneficial opportunities for mortgage brokers, large multi-state lenders and quasi-governmental agencies. Tom leads a church team of 50 hospital ministry volunteers serving at Holmes, Palm Bay and Viera Hospitals, and has served on the Brevard County Public Golf Advisory Board since 2009. He has led school and church non-profit boards to increased effectiveness through use of the Carver model for board effectiveness. Tom's family moved to West Palm Beach in 1956 when Tom was 13; he learned to play golf at municipal courses—Lake Worth Golf Club and West Palm Beach Country Club—and has played public golf all his life.

Michael J. Coleman

Mike is a newspaper management consultant and serves as chairman of Cool Media Consulting of Melbourne, FL. He retired in 2007 as chairman, CEO and Publisher of FLORIDA TODAY and a variety of other publications in Brevard County. At the time of his retirement, he was also senior group president for the two-dozen, 12-state South Newspaper Group for the Gannett Company. He currently serves as a trustee of The Newseum, The Freedom Forum and its Diversity Institute, all based in Washington, D.C. He is a director of the King Center for the Performing Arts in Melbourne and has chaired several times the Brevard Cultural Alliance, United Way of Brevard Board of Directors and was an executive member of Brevard County's Economic Development Commission. Mr. Coleman is a director of DENTSPLY SIRONA, the leading international manufacturer of dental supplies and equipment, and Ron Jon Surf Shops Worldwide.

William Crudo

A native of Stratford, CT, Bill and his wife Elaine purchased a vacation home in Brevard County in 1999 and moved permanently to Brevard in 2004. A marketing-major graduate of the University of Vermont, Bill entered the Army after graduation as a Medical Service Corps Officer. His army experience spring-boarded his civilian career as a healthcare administrator in New York, Michigan, and Vermont. After his stint as a Vice President at a major academic medical center, Bill was founder and President of a multi-site sports medicine practice. During the latter part of his career, Bill did extensive healthcare management consulting work working with orthopedic groups in the development of ancillary income opportunities such as surgery centers, imaging centers, and new facility development. Two of Bill's latest clients include the University of Vermont Medical Center and Beth Israel/Deaconess Medical Center in Boston. Bill lives in unincorporated Melbourne with his wife of 41 years and has been an active volunteer with the Daily Bread and The Habitat for Humanity.

Priscilla Dillow

Priscilla retired as athletic director and assistant principal at Indianapolis Ben Davis High School in 2002 after a 37-year career as teach, coach and athletic director. She organized and implemented girl's sports programs at Ben Davis and led a \$90 million 5-year renovation project for school facilities. She served as executive director of the Indiana Golf Course Owners Assn. from 2008-2013. Priscilla served on the Board of the Indiana Interscholastic Athletic Directors Assn. for 12 years and was it first female president. She served as chair of the National Interscholastic Athletic Administrators Assn.'s Endowment Committee from 2002-2005, also serving that organization as a member of their Professional Development and Strategic Plan committees. Priscilla received the NIAAA Award of Merit in 1999 and Distinguished Service Award in 2003; she received the Indiana Women of Achievement Award from Ball State University in 2011. She resides seasonally in Melbourne, playing much of her golf at The Habitat.

Dr. Amy Gregory

Amy is an Assistant Professor at the University of Central Florida Rosen College of Hospitality Management. Her academic career was preceded by more than 25 years in industry—predominantly as an executive with the Marriott Corporation. Her experience includes sales, marketing, asset management, business and product development, as well as revenue and inventory management; including international assignments in Europe and Asia. Amy's research and industry service are focused on consumer behavior in various sectors of the local and global hospitality industry, as well as business optimization strategies related to revenue and inventory management. Amy obtained her PhD in Hospitality Management at the University of Central Florida and holds a Masters of International Management from Thunderbird School of Global Management in Glendale, Arizona. She is a year-round resident of Brevard County, wife, mother of two high school boys, and an avid golfer and tennis player. Her graduate students enrolled in Advanced Revenue Management Strategies are working on a utilization and pricing analysis for all three county golf courses, with results expected within the next several weeks.

Ron Marsch

Ron is a construction professional—a mechanical engineer who began as field engineer on a \$300 million dollar project for AT&T in Basking Ridge, NJ in the mid-70s, closing out the project 7 years later as project manager. His experience includes 21 years with the 2nd largest interior construction firm in New York City, where he began as superintendent, then moved progressively to project manager, account executive and full charge of business development. Ron is a skilled scheduler, with understanding of the technical requirements to manage business relocations; he has extensive knowledge of design, constructability, estimating and budget/value engineering reviews. Ron began working at Spessard Holland as a volunteer after he moved to the Melbourne area and is now working at the course greeting golfers and serving as starter, ranger and cart manager.

Rick Ostor

Rick was owner-operator of Harry's Place in Tavernier, Florida Keys from 1984-1998, moving to Florida from Garden City, NY where he served as a divorce attorney from 1972-1984, elected Fellow of the Academy of Matrimonial Lawyers. From 1994-2000 Rick served as president of Rusk Corp., an organization dedicated to obtaining or building a meeting place for AA groups in the Upper Keys. Since 2000 he has served as treasurer and a member of the Board of Directors of Circle Club in Indian Harbor Beach, an organization that provides a meeting place for AA groups.

Steve Proctor

Steve is retired after a 37-year career in journalism, 23 years as a reporter and editor at the Baltimore Sun where he saw first-hand the success of the City of Baltimore's teamwork with the Baltimore Municipal Golf Corporation—a non-profit formed to operate the city's 5 golf courses. He served as deputy managing editor for news, business and sports at the San Francisco Chronicle and two years as managing editor of the Houston Chronicle, the nation's 4th largest newspaper. Steve has been a passionate devotee of municipal golf. He served 3 years as president of Gleneagles Golf Club in San Francisco, a legendary 9-hole course featured in the book To the Nines and in the New York Times. He currently manages the Monday Golf League at Spessard Holland, bringing an average of 50 golfers to the course every week during prime season and about 30 during summer and fall. Steve has a passion for the history of golf—an expert in the evolution of the game from a pastime of the Scots to a worldwide spectator sport. His first book on golf—a narrative history of the game's earliest superstar, Tommy Morris, Jr.—is expected to be published soon in Scotland.

Gerald Thompson

Gerald is a retired Army Colonel whose responsibilities as base commander included provision of all facility, logistical and recreational support for a 25,000 person overseas community, including an award-winning golf course; he also directed staff, development and resolution of all issues for providing logistical support to a 213,000 member overseas military force. As Chief Procurement Officer for Florida Power & Light (NextEra Energy), Gerald was responsible for all contracting activities supporting an annual spend of approximately \$2 billion. He is currently involved in management and supply chain consulting and is engaged in volunteer work with several agencies supporting veterans and the military.

Frank Vega

A native of Tampa, Frank is retired after a 35-year career as top executive at leading American newspapers. He finished his career in 2013 as Publisher and CEO of The San Francisco Chronicle. Frank served as publisher of Florida Today from 1984 to 1991. He then served as publisher of The Detroit Free Press, the largest newspaper owned by the Gannett Company. Wherever Frank has lived and worked, he has been deeply involved in community affairs. While living in the Melbourne area, he played a pivotal role in founding the Brevard Zoo, organizing initial fund raising activities and the involvement of 16,000 volunteers to build the zoo. He has been President of the Brevard Arts Council and currently serves on the board of Promise Brevard. Frank is a passionate golfer, having a long record of involvement in hosting prominent golf tournaments including the Charles Schwab Cup and the President's Cup. He is among the founders of the Tiger Shark Golf Company, which introduced the Super Stroke putter grip, a grip that has become widely popular with everyday players and golfers on the professional tours.

What Golf Brevard Will Do and How Success Will Be Measured

ENDS (What we do for whom and at what cost.)

POLICY TYPE: ENDS

POLICY TITLE: GLOBAL ENDS POLICY

The purpose of Golf Brevard, in partnership with Brevard County, is to retain The Habitat and Spessard Holland Golf Courses as aesthetically pleasing, well-maintained golf courses in a manner that creates long-term financial stability while ensuring affordable access to all Brevard County residents and visitors.

POLICY TYPE: ENDS

POLICY TITLE: FINANCIAL STABILITY

Golf Brevard will make measurable steps toward long-term financial stability by doing the following:

1. Reversing existing trends in rounds played, so that year by year there is an increase in number of rounds played until course utilization is maximized.
2. Increasing revenue per round played until income from utilization of golf course operations and contributions sufficiently meets operations, maintenance and capital improvement needs.
3. Initiating alternate income sources for capital improvements and major maintenance to reduce and eventually eliminate county financial contributions
4. Reducing county financial assistance to golf course operations and capital maintenance progressively year by year

POLICY TYPE: ENDS

POLICY TITLE: GOLF COURSE MAINTENANCE

Golf Brevard's golf courses will be well maintained with the purpose of enabling both an increase in rounds played and an increase in revenue received per round:

1. Course conditions will be recognized as excellent by golfers playing the courses.
2. Course condition will not deter an increase in revenue per round.

POLICY TYPE: ENDS

POLICY TITLE: AFFORDABILITY

Golf Brevard will establish a competitive pricing model designed to provide sufficient but not excessive funds to operate and maintain the golf courses at a level consistent with the Board's Ends policies on Financial Stability and Golf Course Maintenance.

1. Recognizing the unique position of county golf courses as public facilities, Golf Brevard will continue to offer golf at rates lower than non-public courses; however those lower rates may be offered on days or times of day that are in less demand.
2. Rates charged during peak demand season may be higher than other periods to enable lower pricing at other times of the year.

POLICY TYPE: ENDS

POLICY TITLE: AESTHETICALLY PLEASING

Golf Brevard will maintain golf courses that are aesthetically pleasing.

1. Welcome and clubhouse areas will offer a pleasing first impression to golfers and guests.
2. The golf courses will maintain their Audubon Sanctuary status.
3. Maintenance standards and procedures will protect the beauty, habitats and unique environmental setting of the courses.

ORGANIZATION LIMITATIONS: (What Golf Brevard cannot do.)

POLICY TYPE: ORGANIZATION LIMITATIONS

POLICY TITLE: GLOBAL ORGANIZATION CONSTRAINT

Golf Brevard shall not cause or allow any practice, activity, decision or organizational circumstance that is either unlawful, imprudent or in violation of commonly accepted business and professional ethics.

POLICY TYPE: ORGANIZATION LIMITATIONS

POLICY TITLE: FINANCIAL PLANNING AND BUDGETING

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the Brevard County Board of County Commissioners' Ends priorities, risk fiscal jeopardy or fail to be derived from a multiyear plan.

Accordingly, Golf Brevard may not allow budgeting that:

1. Contains too little information to enable a credible projection of revenues and expenses, separation of capital and operational items, cash flow and disclosure of planning assumptions.
2. Plans the expenditure in any fiscal year of more funds, including those projected to be received from the county, than are conservatively projected to be received in that period.
3. Allows cash to drop below a safety reserve of less than \$10,000 at any time

POLICY TYPE: ORGANIZATION LIMITATIONS

POLICY TITLE: FINANCIAL CONDITIONS AND ACTIVITIES

With respect to the actual, ongoing financial condition and activities, Golf Brevard shall not allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in Ends policies.

Accordingly Golf Brevard may not:

1. Expend more funds than have been received in the fiscal year to date, unless provision for such expenditure is projected in Golf Brevard's budget and cash flow plan.
2. Indebt the organization in an amount greater than can be repaid by certain, otherwise unencumbered revenues within sixty days unless such encumbrance is necessary to golf course operations and can be reasonably assumed by a subsequent golf course operator.
3. Fail to settle debts in a timely manner.
4. Allow tax payments or other government-ordered payments or filings, including license and permit fees, to be overdue or inaccurately filed.
5. Acquire, encumber or dispose of real property.

POLICY TYPE: ORGANIZATION LIMITATIONS

POLICY TITLE: ASSET PROTECTION

Golf Brevard shall not allow the assets to be unprotected, inadequately maintained or unnecessarily risked.

Accordingly, Golf Brevard may not:

1. Fail to insure non-realty assets against theft and casualty losses to at least 80% of replacement value (or higher as required by state law) and against liability to board members, staff and the organization itself in an amount greater than the average for comparable organizations.
2. Allow unbonded personnel access to material amounts of funds.
3. Subject plant and equipment to improper wear and tear or insufficient maintenance.
4. Unnecessarily expose the county, its board or staff to claims of liability, including allowing work to be done on the county's premises by those without appropriate licenses and insurance coverages.
5. Make any purchase wherein normally prudent protection has not been given against conflict of interest, or major purchases without having obtained comparative prices and assuring a balance of long term quality and cost.
6. Fail to protect intellectual property, information and files from loss or significant damage.
7. Receive, process or disburse funds under controls that are insufficient to meet the board-appointed auditor's standards.
8. Invest or hold operating capital in insecure instruments, including uninsured checking accounts.
9. Endanger the county's public image or credibility, particularly in ways that would hinder its accomplishment of mission.

POLICY TYPE: ORGANIZATION LIMITATIONS

POLICY TITLE: COMPENSATION AND BENEFITS

With respect to compensation and benefits to employees, consultants, contract workers and volunteers, Golf Brevard shall not cause or allow jeopardy to fiscal integrity or public image.

Accordingly, Golf Brevard may not:

1. Promise or imply permanent or guaranteed employment.
2. Establish current compensation that deviates materially from the geographic or professional market for the skills employed.
3. Create compensation obligations over a longer term than revenues can be safely projected, in no event longer than one year, and in all events subject to losses in revenue.

POLICY TYPE: ORGANIZATION LIMITATIONS

POLICY TITLE: COMMUNICATION AND SUPPORT TO THE BOARD

Golf Brevard shall not permit the board of county commissioners to be uninformed or unsupported in its work.

Accordingly, Golf Brevard shall not:

1. Neglect to submit monitoring data required by the Board of County Commissioners (see policy on monitoring Golf Brevard performance) in a timely, accurate and understandable fashion, directly addressing provisions of board policies being monitored.
2. Let the Board of County Commissioners be unaware of relevant trends, material external and internal changes, particularly changes in the assumptions upon which any board policy has previously been established related to the county owned golf courses.
3. Fail to report in a timely manner an actual or anticipated non-compliance with any policy of the Board of County Commissioners.

BOARD-ASSOCIATION MANAGER LINKAGE (How the board connects to Golf Brevard)

POLICY TYPE: BOARD-GOLF BREVARD LINKAGE

POLICY TITLE: GLOBAL BOARD-CEO LINKAGE

The board of county commissioners' sole official connection to the operational organization, its achievements and conduct will be through Golf Brevard's board president; the only exception to

this policy shall be the duty of the county representative on Golf Brevard's board to disclose to the board of county commissioners any act or omission by Golf Brevard that, in the opinion of the county representative, would jeopardize the county's interest in the golf courses. In such event, the county representative shall first inform the Golf Brevard board president of his/her intended action.

POLICY TYPE: BOARD-GOLF BREVARD LINKAGE

POLICY TITLE: DELEGATION TO GOLF BREVARD

The board of county commissioners will instruct Golf Brevard through written policies that prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided, allowing Golf Brevard to use any reasonable interpretation of these policies.

Accordingly,

1. The board of county commissioners or its designee will develop policies instructing Golf Brevard to achieve certain results, for certain recipients at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends Policies.
2. The board of county commissioners may develop policies that limit the latitude Golf Brevard exercises in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Organization Limitations.
3. As long as Golf Brevard uses any reasonable interpretation of the board of county commissioners' Ends and Organization Limitations policies, Golf Brevard is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities.
4. The board of county commissioners may change its Ends and Organization Limitation policies, thereby shifting the boundary between board and Golf Brevard domains. By doing so, the board changes the latitude of choice given to Golf Brevard. But as long as any particular delegation is in place, the board will respect and support Golf Brevard's choices.

POLICY TYPE: BOARD-GOLF BREVARD LINKAGE

POLICY TITLE: MONITORING GOLF BREVARD PERFORMANCE

Systematic and rigorous monitoring of Golf Brevard performance will be solely against the only expected Golf Brevard outputs: organizational accomplishment of board of county commissioners' policies on Ends and organizational operation within the boundaries established in board policies on Organization Limitations.

Accordingly,

1. Monitoring is simply to determine the degree to which county commission policies established for Golf Brevard are being met. Data that do not do this will not be considered to be monitoring data.
2. The board will acquire monitoring data by one or more of three methods: (a) by internal report, in which Golf Brevard discloses compliance information to the board, (b) by external report, in which an external, disinterested third party selected by the board assesses compliance with board policies, and (c) by direct board inspection, in which a designated member or members of the board or their designee assesses compliance with the appropriate policy criteria.
3. In every case, the standard for compliance shall be *any reasonable Golf Brevard interpretation* of the board policy being monitored.
4. All policies that instruct Golf Brevard will be monitored at a frequency or by a method chosen by the board of county commissioners. The board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.

<i>Policy</i>	<i>Method</i>	<i>Frequency</i>
Financial planning and budgeting	Internal	Monthly*
Financial condition and activities	Internal	Monthly*
	Direct inspection	Annually
Asset protection	Direct inspection	Annually
Compensation and benefits	Internal	Quarterly**
Communication and support to the board	Direct inspection	Annually
Financial stability	Internal	Quarterly
	External	Annually
Golf course maintenance	Internal	Semi-annually
Affordability	Internal	Quarterly
Aesthetically pleasing	Internal	Quarterly

* Quarterly after year 1

** Annually after year 1

SAMPLEGOLF COURSE MANAGEMENT AGREEMENT

THIS AGREEMENT made as of the _____ day of _____, 2018, by and between Brevard County, Florida (the County) acting through the Board of County Commissioners and Golf Brevard, a non-profit corporation of the state of Florida,

WITNESSETH:

WHEREAS, the County owns and operates two golf courses in south Brevard County—Spessard Holland Golf Course and The Habitat Golf Course (“Golf Course Properties”), and

WHEREAS, the County believes it is in the best interests of the public if the golf courses were managed and operated in the most efficient manner possible and if physical improvements were made to such courses, and

WHEREAS, the Brevard County Golf Advisory Board has recommended the County agree with Golf Brevard for management services for such courses, and

WHEREAS, Golf Brevard will bring expertise in the management of golf courses, and

NOW, THEREFORE, in consideration of the mutual covenants and promises, the County and Golf Brevard hereby agree as follows:

I. OPERATING AGREEMENTS

- 1.1 The County hereby contracts with Golf Brevard for operation of its real property and fixtures identified in Appendix A-1 and A-2 as identified in the maps thereto and marked 1 and 2, the personal property identified in Appendix B-1 and B-2, and the equipment identified in Appendix C1 and C2, collectively known as the “Golf Course Properties”, all in “as is” condition and Golf Brevard accepts said operation agreement subject to the terms and conditions stated herein. The effective date of this agreement shall be October 1, 2018. The initial term of this agreement shall be three (3) years, whereupon it may thereafter be renewed on the same terms and conditions for an additional term of fifteen (15) years, then each five (5) years for additional terms of five (5) years unless terminated in accordance with Article 12.
- 1.2 It is understood and agreed that the Golf Course Properties do not include public highways, streets and thoroughfares. The County shall continue to be responsible for the regulation and maintenance of roadways in and through the golf course properties dedicated to public use unless damaged due to the negligence of Golf Brevard, its employees or agents which damage shall be the responsibility of Golf Brevard to promptly repair. The driveway at The Habitat Golf Course, running from Valkaria Road to the clubhouse, shall be the responsibility of the County to maintain and repair. Golf Brevard shall be responsible for cleaning of the driveway. The County shall have the right to use the driveway when necessary.
- 1.3 Golf Brevard shall, at its own cost and expense, keep and maintain the Golf Course Properties throughout the term of this Agreement in good, substantial

and sufficient condition, repair and order, fair wear and tear excepted, including any and all improvements, expansions and replacements made by Golf Brevard. Golf Brevard agrees to use its best efforts to improve or cause to be improved the Golf Course Properties, including the buildings, the concession areas and golfing areas. It is understood and agreed that Golf Brevard shall have the right to sell or otherwise dispose of all fixtures, personal property and equipment included in the Golf Course Properties and any replacements thereto so long as any net proceeds of any such sale or disposal is applied to the purchase of additional or replacement fixtures, personal property or equipment of the same or any other kind to be used solely for the benefit and improvement of the Golf Course Properties. All such improvements, expansions, replacements and fixtures shall become part of the Golf Course Properties.

- 1.4 The County agrees that Golf Brevard has the right to maintain and operate on the Golf Course Properties, through lease arrangements or otherwise, restaurant, convenience and fast food facilities, merchandise sales, golf driving ranges, cart rental, and other concessions and other recreational facilities, all of which shall be open to the public on reasonable terms and conditions to be determined by Golf Brevard. The County agrees that Golf Brevard may, from time to time, rent all or part of the Golf Course Properties for all appropriate types of events, some of which may be catered, pursuant to a fee schedule set by Golf Brevard and that all such rental payments and all residual income, e.g. from promotions, advertising, tournaments, TV and radio benefits, sponsorships, programs and license fees, shall accrue to Golf Brevard.
- 1.5 Golf Brevard agrees to establish and maintain programs to improve the condition and operation of the Golf Course Properties. To this end, Golf Brevard agrees as promptly as possible:
 - 1.5.1 To provide access to the Golf Course Properties for charitable events and assist in providing such events on reasonable terms and conditions.
 - 1.5.2 To establish and document a program for the physical improvement of the Golf Course Properties.
 - 1.5.3 To establish and document a comprehensive program to teach and make the game of golf available to the citizens of Brevard County, including working with public and private schools to advance their opportunity to play.
 - 1.5.4 To establish a program for both team and individual competition between and among men and women at the junior, adult and senior levels in order to develop interest in competitive golf in the Brevard County area.
- 1.6 Golf Brevard and the County agree to negotiate and carry out an annual cooperative program to introduce, promote and make the game of golf available to the citizens of Brevard County.

2. ASSIGNMENT OF CONTRACTS

Effective as of the date of this Agreement, the County assigns to Golf Brevard the contracts as set forth in Appendix D. The County avers that these contracts are the only contracts known to be outstanding with regard to the Golf Course Properties and agrees that it will indemnify, defend and save Golf Brevard harmless against

loss or liability associated with any contract associated with Golf Course Properties not included in Appendix D. Golf Brevard shall be solely responsible for contracts included in Appendix D. Reassignment of said contracts gives Golf Brevard the right to renegotiate terms or terminate said contracts without penalty. Golf Brevard has copies of all such contracts.

3. PERSONNEL

Golf Brevard agrees to hire qualified personnel to operate and maintain the entire physical plant of the Golf Course Properties at a high level of efficiency. Golf Brevard shall be solely responsible for the employment and supervision of personnel required for the management, utilization, maintenance and operation of the Golf Course Properties and the negotiation of any contracts that may be involved in the employment of such personnel. All employees of Golf Brevard shall be its employees only and shall not be deemed to be employees of the County. Golf Brevard shall make every reasonable effort to recruit employees who reside in Brevard County and shall comply with all applicable laws concerning equal opportunity in employment.

4. FUND RAISING

Golf Brevard shall seek to be self-supporting, and will thus promptly begin and use its best efforts to conduct a fundraising and grant application program in an effort to raise capital for course improvements and operating budgets. Golf Brevard shall report to the County at least once each fiscal year, and at such other times as may be reasonably required by the County, on its fund-raising activities.

5. ENDOWMENT FUND

Golf Brevard's intention is to operate the Golf Course Properties on a self-sustaining basis. It is Golf Brevard's further intention to dedicate all revenues that accrue in excess of operating expenses (excluding debt service and equipment lease/purchase payments) to an endowment fund that may be utilized for capital expenditures, course and facility expansions, additions, replacements and renovation. In any year in which Golf Brevard fails to operate on at least a self-sustaining basis, said endowment fund shall be used by Golf Brevard for operating expenses before requesting supplementary funds from the County. In no event, however, shall the County request or require from Golf Brevard funds from said endowment fund for purposes other than investment in the Golf Course Properties.

6. COUNTY FUNDING OF GOLF BREVARD

6.1 The County shall provide Golf Brevard with initial funding of \$_____ to be repaid by Golf Brevard in three (3) equal annual payments without interest beginning September 30, 2020; however, Golf Brevard shall have no obligation to repay the remainder of such funds beyond the end date of this Agreement and any

subsequent Agreement of the parties hereto, except as required by Section 11 of this agreement, nor shall Golf Brevard have any obligation to repay on September 30th of any year an amount that would reduce current assets to a balance of less than \$500,000.

One-third of the initial funding amount shall be paid to Golf Brevard on _____ 1, 2018 (30 days prior to Golf Brevard assuming operations) and the balance paid to Golf Brevard on _____ (date of Golf Brevard assuming operations).

Such initial funding shall be used by Golf Brevard to cover anticipated monthly operating deficits during the first two years of this Agreement and to remedy existing deferred maintenance issues.

6.2 The County shall provide for or arrange a \$200,000 line of credit for Golf Brevard, which shall be used solely for emergency repairs of Golf Course Properties or as collateral for leases of equipment for Golf Course Properties. Any portion of the line of credit utilized by Golf Brevard shall be placed as a first priority for repayment when the Golf Brevard Endowment Fund exceeds \$750,000 at the end of any fiscal year.

6.3 On or before the County's Budget Date, Golf Brevard shall provide the County with a copy of the following with regard to its operation of the Golf Course Properties:

- (i) Operating budget
- (ii) Revenue budget
- (iii) Capitol improvement budget
- (iv) Customary supporting data

6.4 It is understood and agreed that if Golf Brevard projects and/or incurs an operating deficit, it may apply for and receive, according to the County's budget procedures, a budget subsidy and/or such supplementary appropriations as the County may grant.

6.5 If Golf Brevard should believe that one or more capital expenditures is needed or desirable, but that such expenditure should be funded in whole or in part by the County, Golf Brevard may make a request for funding, according to County procedures, and the County shall determine whether or not to grant such requests. Golf Brevard shall have the authority to let any and all such contracts for such capital expenditures unless prohibited by law from doing so. Any improvement, repair or fixture to the Golf Course Properties, whether funded by the County, Golf Brevard or by others shall be the property of the County and shall be considered a part of said Golf Course Properties. Golf Brevard shall submit to the County plans for any and all buildings or major improvements to buildings on the Golf Course Properties and shall obtain the prior approval of the County for such capital projects.

6.6 Records of Golf Brevard's expenses pertaining to the performance of its obligations, duties and services hereunder shall be kept in accordance with generally accepted accounting principles and shall be available for inspection by the County's authorized representative at all reasonable times. For purposes of financial planning and preparation of budgets, Golf Brevard shall promptly furnish to the County such financial information and data and estimates of future expenditures as the County may reasonably require. Golf Brevard shall have prepared at its expense an annual review and compilation of its financial records and an annual report within 120 days after the end of its fiscal year. The review and compilation shall be subject to review by the County. The County shall have the right to review all books and records of Golf Brevard at the Golf Brevard offices and to perform its own audit if it wishes. Golf Brevard shall keep its books and records at its principal office and shall maintain them for the term of this agreement and any extensions.

6.7 The County shall retain responsibility to maintain lakes and ponds at the Golf Course Properties.

6.8 The County will provide necessary advice and available logistical assistance in support of recovery operations from a named storm or hurricane.

6.9 The County shall be provided the opportunity for legal review of all contracts and agreements entered into by Golf Brevard.

6.10 Golf Brevard shall submit to the County a quarterly financial statement showing revenue and expenses, grants, donations, and other financial information that may be reasonably requested by the County.

7. INSURANCE; INDEMNIFICATION

7.1 Before the effective date of this Management Agreement, Golf Brevard shall, at its own expense, obtain a public liability policy, issued by a financially sound company, which will protect all parties to this Agreement against any claims for personal injuries, including death, and against claims for property damage which may arise out of or in connection with any operation or activities of Golf Brevard in connection with any operation or activities of Golf Brevard in exercise of any of the privileges or duties granted herein. The amount of such insurance shall be as follows: insurance in an amount of not less than \$___ million for injuries, including death, to any one person, in an amount of not less than \$___ million for injuries, including death, of more than one person, on account of any one accident, and property damage insurance in the amount of not less than \$_____ for each accident.

7.2 Golf Brevard shall provide, at its own cost, workers compensation insurance as required by law.

7.3 Golf Brevard shall provide, at its own expense, directors and officers liability insurance.

7.4 Golf Brevard shall provide, at its own expense, a fiduciary bond in an amount satisfactory to the County, which shall cover all parties who handle funds pursuant to this agreement.

7.5 The County shall be named as an additional insured on all policies enumerated above.

7.6 All policies listed above shall be subject to the approval of the County or its designated representative. Golf Brevard shall provide to the County, prior to the effective date of this Agreement, certificates of insurance of each of the above coverages. Additionally, at the request of the County or its designated representative, actual copies of the policies shall be submitted for review.

7.7 All of the above policies shall be help in force at all times while this Agreement is in place.

7.8 The County shall provide fire and other casualty insurance in respect of the Golf Course Properties in such amount as was provided for the Golf Course Properties immediately prior to the date of approval of this Agreement.

7.9 In addition to providing the insurance policies as stated above, Golf Brevard shall indemnify and hold harmless the County from any and all liability, claims, losses, damages, suits and actions at law of every kind and description arising or resulting from the operations contemplated by this Agreement. Such indemnification shall not be limited to the amounts of the insurance provided herein.

7.10 The County agrees to defend Golf Brevard and its trustees or directors, officers and employees from and against any claim,, suit, cost, expense or liability which Gold Brevard or its trustees or directors, officers or employees may incur by reason of any third party seeking to assert any liability, obligation or affirmative relief against Golf Brevard or any of its trustees or directors, officers and employees in respect to the Golf Course Properties. Such defense shall be coordinated with any defense representation available through the auspices of any of Golf Brevard's insurers. The defense services provided herein shall not mean or intend that the County shall be responsible for any judgment, liability, obligation or affirmative relief obtained against Golf Brevard, its trustees or directors, officers or employees, which shall be the responsibility of Golf Brevard.

8. DAMAGE OR DESTRUCTION

8.1 Golf Brevard shall notify the County promptly of any fire or other damage to the Golf Course Properties.

8.2 With respect to any damage or destruction to the Golf Course Properties by fire or other cause at any time during the term of the Agreement, the County shall promptly restore the damaged or destroyed premises at the County's sole expense and in a good and workmanlike manner. Within forty-five (45) days of the occurrence, the County shall give Golf Brevard a schedule of completion for such restoration. If such schedule contemplates a period of completion in excess of one hundred eighty (180) days from the date of the occurrence, Golf Brevard shall have the following rights:

8.2.1 To restore the damaged or destroyed premises at the County's sole expense, but at a cost not more than the replacement cost of the destroyed or damaged premises, and to be reimbursed for the entire cost incurred by Golf Brevard for such restoration.

8.2.2 To terminate this Agreement by notice given to the County.

9. FORCE MAJEURE

9.1 Except as otherwise provided, neither party shall be obligated to perform hereunder and neither shall be deemed to be in default if performance is prevented by a fire, earthquake, flood, act of God, riot, civil commotion or other matter or condition of nature, including the unavailability of sufficient fuel or energy to operate the Golf Course Properties, or of any law, ordinance, rule, regulation or order of any public or military authority stemming from the existence of economic controls, riot, hostilities, war or governmental law and regulation. In the event of a labor dispute which results in a strike, picket or boycott affecting Golf Brevard operation of one or more of the Golf Course Properties or any services described in this Agreement, Golf Brevard shall not be deemed to be in default or breach of any part of this Agreement, and Golf Brevard shall continue to be responsible for operating the Golf Course Properties.

10. DEFAULT

10.1 Any one or more of the following shall be an "Event of Default" or "Events of Default" under this Agreement:

10.1.1 With respect to Golf Brevard:

10.1.1.1 Golf Brevard shall fail to perform or observe any obligation of Golf Brevard under any provision of this Agreement, and any such failure shall continue and not be remedied within thirty (30) days after notice from the County specifying same; unless causes beyond the reasonable control of Golf Brevard, such failure cannot be cured within thirty (30) days; and Golf Brevard advises the County in writing promptly after the County's notice that Golf Brevard intends to take all steps necessary to remedy such default with due diligence and duly institutes and diligently prosecutes to completion the steps necessary to remedy the same, then remedies the same within a reasonable time after advising the County of Golf Brevard's intention to do so.

10.1.1.2 Golf Brevard abandons the Golf Course Properties, unless as a result of casualty therein).

10.1.1.3 This Agreement or the Golf Course Properties, any part thereof or estate therein, shall be taken upon execution or by other process of law directed against Golf Brevard, or shall be taken upon or subject to any attachment at the instance of any creditor of or claimant against Golf Brevard, and said attachment shall not be discharged or disposed of within ninety (90) days after levy thereof. County shall be reimbursed by Golf Brevard for any cost or expenses by it if County pays any such claims.

10.1.1.4 Golf Brevard shall be declared bankrupt by any competent court having proper jurisdiction.

10.2 With respect to the County, if the County shall fail to perform or observe any obligation of the County under any provision of this Agreement, and such failure shall continue and shall not be remedied within thirty (30) days after notice from Golf Brevard specifying same, unless for causes beyond the reasonable control of the County such failure cannot be cured within thirty (30) days, and the County advises Golf Brevard in writing promptly after Golf Brevard's notice that the County intends to remedy such default with due diligence and duly institutes and diligently prosecutes to completion the steps necessary to remedy the same and remedies the same within a reasonable time after advising Golf Brevard of the County's intention to do so.

10.3 After a material Event of Default on the part of Golf Brevard, the County shall have the right, at the County's sole discretion, to elect to terminate this Agreement by notice to Golf Brevard as provided below. After a material Event of Default on the part of the County, Golf Brevard shall have the right, at Golf Brevard's sole discretion, to elect to terminate this Agreement by notice to the County as provided. The failure of the County or Golf Brevard to seek redress of any Event of Default, or to insist upon the strict performance of any provision of this Agreement, shall not prevent a subsequent act which would have originally constituted an Event of Default from having all the force and effect of any original Event of Default or from requiring performance of any provision herein.

11. TERMINATION

11.1 If the County elects to terminate pursuant to this Agreement, for cause as specified above, it shall give Golf Brevard written notice of its election to so terminate, specifying in such notice a termination date which is at least six (6) months subsequent to the date of the giving of such notice, and on such date this Agreement shall terminate in all respects and one or before such termination date Golf Brevard shall vacate the Golf Course Properties and all facilities therein. If Golf Brevard elects to terminate pursuant to this Agreement, for cause as specified above, it shall give the County written notice of its election to so terminate, specifying in such notice a termination date which is at least six (6) months subsequent to the date of the giving of such notice, and on such date this Agreement

shall terminate in all respects and on or before such termination date shall vacate the Golf Course Properties.

11.2 Upon termination of this Agreement, the County and Golf Brevard shall have no further responsibility or liability under or in respect of this Agreement, except that within two hundred and seventy (270) days of the receipt or giving of any notice of termination of this Agreement or of the last day of the Term, as the case may be, Golf Brevard shall deliver to the County an accounting setting forth for the particular fiscal year its Revenues and Operating Expenses to the termination date, and thereafter, but within ninety (90) days after receipt of such accounting, Golf Brevard shall transfer to the County:

11.2.1 Any funds previously paid to Golf Brevard by the County and unexpended to the date of termination.

11.2.2 The equipment owned by Golf Brevard and to the extent not theretofore disposed of by Golf Brevard because of wear, tear or obsolescence, in the condition existing, i.e. "AS IS" at the time of transfer; and

11.2.3 Ownership of all specifications, plans, drawings and related documents prepared by any architect, consulting engineer or contractor for any facilities of the Golf Course Properties.

11.2.4 All books, records, statements pertaining to the Golf Course Properties and its finances since the date of operation.

11.2.5 All buildings, personalty, exhibits, manuals, supplies and fixtures located in and about the Golf Course Properties and used by Golf Brevard whenever obtained or purchased, for purposes of the Golf Course Properties as stated herein.

11.3 Upon termination of this Agreement, Golf Brevard shall have the right to retain any unexpended grants, bequests, contributions and funds raised or received by it for the benefit of the Golf Course Properties, subject to any restrictions placed thereon by the applicable gift instrument unless such restrictions are released by the donor, and Golf Brevard may use such funds for general charitable and educational purposes or return such funds to the donors if such is the donor's request. All accrued income from admissions, concessions, rides, etc. shall be the property of the County.

12. NOTICES

12.1 All notices, requests, demands, elections, consents, approvals, designations and other communications of any kind hereunder ("Notices") must be in writing and addressed to the parties as follows:

If to the County:

If to Golf Brevard:

12.2 Any Notice required by this Agreement to be given or made within a specified period of time, or on or before a date certain, shall be deemed given or made only if sent by certified mail, return receipt requested, and postage and registry fees prepaid. A Notice so sent by certified mail shall be deemed given on the date of mailing. All other Notices shall be deemed given when received.

13. MISCELLANEOUS

13.1 This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of Florida.

13.2 Except as otherwise specifically permitted hereunder, Golf Brevard shall not assign or otherwise encumber this Agreement, or sublet the Golf Course Properties (or any portion thereof), or permit the Golf Course Properties to be used by others in violation of this Agreement, without the prior written consent of the County, and any attempted assignment, encumbering, subletting or unauthorized use shall be void and of no effect as against the County. Subject to the foregoing, all the provisions of this Agreement, whether so expressed or not, shall be binding upon the respective successors, assigns and legal representatives as stated herein, of the parties hereto and shall inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns and legal representatives.

13.3 If any lien is filed against the Golf Course Properties by reason of work, labor, services or materials supplied or allegedly supplied to Golf Brevard or anyone claiming through or under Golf Brevard or by reason of Golf Brevard's failure to comply with the law, Golf Brevard shall cause the same to be discharged by payment or otherwise within ninety (90) days after the earlier of (1) notice to Golf Brevard of the filing or assertion of such lien or (2) notice to Golf Brevard from the County to the same effect. If Golf Brevard fails to do so, in addition to any right or remedy hereunder, the County may (but shall not be obligated to) discharge such lien by bonding or otherwise, and Golf Brevard shall promptly repay County for such cost. Nothing in this Agreement shall be deemed or construed in any way as constituting the consent or request of the County, express or implied, to any contractor, subcontractor, laborer or materialman for the performance of any labor or furnishing of any material for any alteration of the Golf Course Properties.

13.4 Upon observing the provisions of this Agreement, Golf Brevard shall and may lawfully hold and enjoy the Golf Course Properties during the term without hindrance, molestation or interruption.

13.5 Nothing herein shall be deemed to create any joint venture or principal-agent relationship between the parties, and neither part is authorized to, and neither party shall act toward third parties or the public in any manner which would indicate any such relationship with the other. Golf Brevard is an independent contractor in terms of managing and operating the Golf Course Properties.

13.6 If any subsection, sentence, clause, phrase or portion of this Agreement is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of this Agreement.

13.7 Golf Brevard shall perform all services hereunder in compliance with all applicable laws and regulations of the United States of America and agencies thereof, and of the State of Florida, and in compliance with all applicable provisions of the laws of the County.

13.8 No member of the governing body of the County, and no other officer, employee or agent of the County who exercises any functions or responsibility in connection with the services to be performed under this Agreement, shall have any personal financial interest, direct or indirect, in this Agreement, or in the Golf Course properties or in Golf Brevard.

13.9 If the whole or any part of the Golf Course Properties is taken under power of eminent domain, then the County and Golf Brevard at each party's option shall have the right to terminate pursuant to this Agreement. If the parties elect to continue this Agreement, then the County, at its sole option, may make such repairs, alterations or replacements in order to restore the part of the Golf Course Properties not taken to useful condition. The County shall not be obligated to replace any of the land within the Golf Course Properties' boundaries if taken by eminent domain.

13.10 All compensation awarded for any taking of the Golf Course Properties or any interest in them shall belong to and be the property of the County, Golf Brevard hereby assigning to the County all rights with respect thereto; provided, however, nothing contained herein shall prevent Golf Brevard from applying for reimbursement from the condemning authority (if permitted by law) but only if such action shall not reduce the amount of the award or other compensation otherwise recoverable from the condemning authority by the County.

13.11 This Agreement embodies the entire agreement and understanding between Golf Brevard and supersedes all prior agreements and understandings relating to the subject matter hereof. This Agreement may not be modified or amended or any provision hereof waived or discharged except in writing signed by the party against whom such amendment, modifications, waiver or discharge is sought to be enforced. The headings of this Agreement are for purposes of convenience only and shall not limit or otherwise affect the meaning of any provision of this Agreement. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

WITNESS, the hands and seals of the parties hereto as of this day and year
above written.

(Signatures)

Golf Courses



Brevard County

March 15, 2018

Previous Board Action

- **July 30, 2017**
 - Entered into an Emergency Agreement with International Golf Maintenance, Inc. (IGM) to provide golf course operation and maintenance services on a month-to-month basis.
- **October 24, 2017**
 - The Board received an Operations Review and Asset Assessment Report and tabled decision for 60 days.

Previous Board Action

- **November 1, 2017**
 - Entered into an Agreement for consulting services to assist with stabilizing and evaluating the level and consistency of customer service and assist with the overall facility and course presentation
- **January 9, 2018**
 - Approved extending the discussion of the potential of public/private partnerships of the Brevard County Golf Courses for an additional 60 days for negotiations in working towards an agreement

County Golf Courses Staff Efforts

October 2017 - March 2018

- **Met with interested parties to discuss the future of the courses.**
- **Spent significant time and effort improving the condition of the courses**
- **Worked with Golf Brevard, Savannahs Partnership and Savannahs HOA providing information, feedback, reviewed and provided input relating to proposals**

Golf Enterprise Fund Projection Year Ending September 30, 2018

FY 2017-2018 Golf Enterprise Fund

	5 Month Actual	7 Month Projections	FY 17-18 Total Projection
FY 16-17 Beginning Balance	\$ 455,456		\$ 455,456
Revenue	\$ 1,156,480	\$ 1,284,663	\$ 2,441,143
Expenses	\$ 1,160,398	\$ 1,618,072	\$ 2,778,470
Revenue less Expenses	\$ (3,918)	\$ (333,409)	\$ (337,327)
Ending Balance	\$ 451,538	\$ 118,129	\$ 118,129

Golf Course Options

- **Option 1: Effective Disposition of Golf Course(s)**
- **Option 2: Continue to Own and Operate All Three Golf Courses**
- **Option 3: Continue to Own All Three Golf Courses and Outsource to Third Party Management**
- **Option 4: Divest Savannahs Course and Retain/Operate Spessard Holland and Habitat**

Golf Course Options

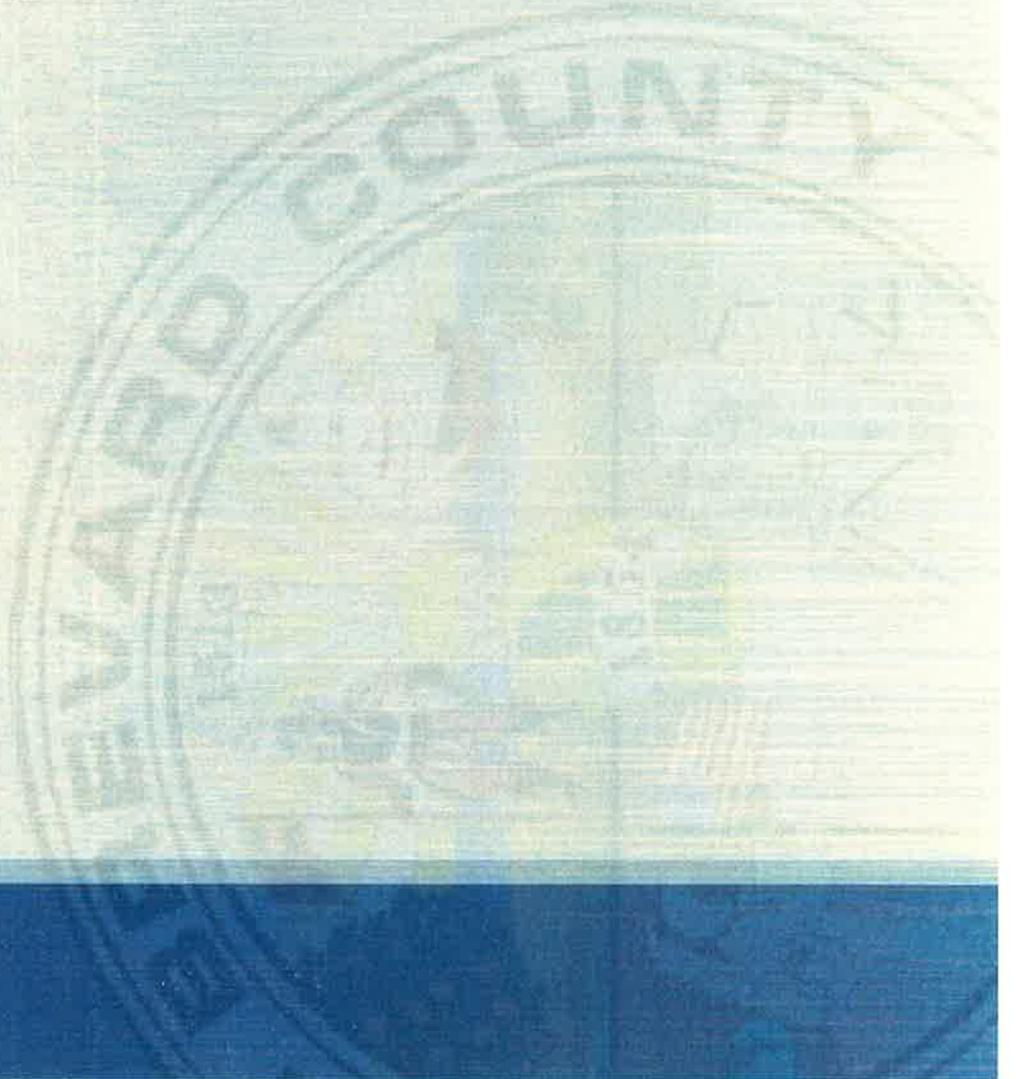
- **Option 5: Public Private Partnership, Savannahs**
- **Option 6: Establish a Community Development District (CDD) for the Savannahs Golf Course**
- **Option 7: Public Private Partnership, Spessard Holland and Habitat**
- **Option 8: Golf Advisory Board Recommendation**

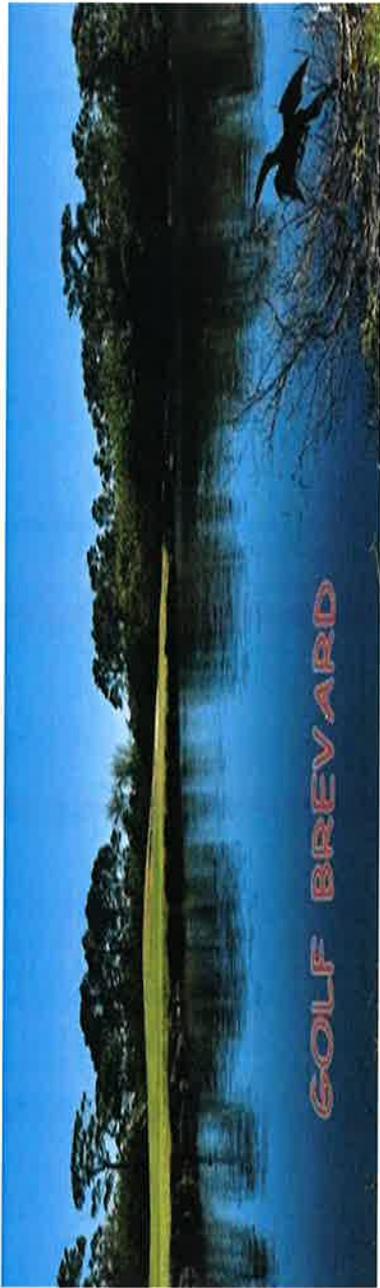
Additional Option

“Manage to Disposition” Arrangement

- A current market valuation of the courses would have to be determined.
- Issue RFP to solicit proposals for incentive based, managed to disposition agreement
- County would receive percentage of sale/long term lease proceeds after brokerage fee and capital investment of proposer

QUESTIONS





BREVARD COUNTY COMMISSION

MARCH 15, 2018

CURRENT YEAR PROJECTIONS

• THE HABITAT	(\$56,000)
• SPESSARD HOLLAND	(\$92,000)
• IMMEDIATE MAINTENANCE	(\$200,000)
• "SOFT" COSTS	<u>(\$75,000)</u>
TOTAL	(\$423,000)

GOLF BREVARD REQUIREMENTS

- START-UP TRANSITION FUND
 - \$390,000 IF ASSUME CONTROL 1 OCTOBER 2018
 - OR
 - \$250,000 IF ASSUME CONTROL 1 JANUARY 2019
- LINE OF CREDIT OF \$200,000

DEFERRED MAINTENANCE

THE HABITAT	
• PUMP STATION	\$117,000
• BUNKERS	\$290,000
• BRIDGE	\$12,000
• BALL PICKER	\$8,000
• IRRIGATION/CONTROLS SYSTEM	\$9,000
• CART BARN SECURITY	\$4,500
• CART PATHS	\$48,000
• CLUB HOUSE	\$23,000
TOTAL	<u>\$511,500</u>

DEFERRED MAINTENANCE

SPESSARD HOLLAND

• MAIN PUMPING STATION	\$110,000
• ROOF RESTROOMS @ #6/17	\$1,500
• INTERMEDIATE PUMPS/CONTROLS	\$4,000
• IRRIGATION SYSTEM/CONTROLS	\$5,500
• CART BARN REPAIRS	\$21,500
• MAINTENANCE BLDG REPAIRS	\$14,500
• STARTER SHACK REPAIRS	\$1,500
• PROSHOP/SNACK BAR	\$12,500
• PARKING LOT REPAIR/SEAL	\$5,000
• CART PATHS	\$9,000
• BUNKERS	\$14,000
• FENCING, GATES, ETC	<u>\$4,000</u>
	TOTAL \$203,000

THE GOLF BREVARD DIFFERENCE

- A NON-PROFIT BOARD WITH BUSINESS ACUMEN AND A SINGLE FOCUS
- AN EXPERIENCED, SUCCESSFUL GENERAL MANAGER WHO IS A PGA PROFESSIONAL
- ALL PROFITS REINVESTED
 - DEFERRED MAINTENANCE
 - CAPITAL IMPROVEMENTS

REPAYMENT PLAN

WHEN LIQUID RESERVES REACH \$500,000 GOLF BREVARD WILL BEGIN REPAYING COUNTY'S INVESTMENT:

\$390,000 INITIAL INVESTMENT

\$110,000 INCREASE IN LIQUID RESERVES

\$500,000 LEVEL WHERE PAYBACK BEGINS

MEASURING SUCCESS

GOLF BREVARD'S PLAN WILL:

- INCREASE ROUNDS PLAYED
- INCREASE REVENUE PER ROUND
- DECREASE COUNTY'S FINANCIAL ASSISTANCE
- DEVELOP ALTERNATIVE SOURCES OF REVENUE

OTHER MEASURABLES:

- GOLFERS RECOGNIZE COURSES AS EXCELLENT
- COURSE CONDITIONS SUPPORT ENHANCED REVENUE
- RATES LOWER THAN NON PUBLIC COURSES
- MAINTAIN AUDUBON SANCTUARY STATUS
- PROTECT BEAUTY, HABITAT AND ENVIRONMENTAL SETTING

MONITORING PERFORMANCE

<u>ACTIVITY</u>	<u>METHOD</u>	<u>FREQUENCY</u>
• Financial planning and budgeting	Internal	Monthly*
• Financial condition and activities	Internal	Monthly*
• Asset protection	Direct inspection	Annually
• Compensation and benefits	Direct inspection	Annually
• Communication and support to the board	Internal	Quarterly**
• Financial stability	Direct inspection	Annually
	Internal	Quarterly
	External	Annually
• Golf course maintenance	Internal	Semi-annual
• Affordability	Internal	Quarterly
• Aesthetically pleasing	Internal	Quarterly

* Quarterly after year 1

** Annually after year 1

STEERING COMMITTEE

- **Tom Becker** Non-profit leadership experience, background in cyclical business, retired mortgage lending industry leader.
- **Michael G. Coleman** 16-years FLORIDA TODAY publisher retired 2007. Effective business consultant and board member of Ron Jon Surf Shops Worldwide and DENTSPLY SIRONA, the leading worldwide manufacturer of dental supplies and equipment.
- **William Crudo** Founder of multi-site sports medicine practice; career as health care administrator. Consulting in health care management.
- **Priscilla Dillow** Retired executive director of Indiana Golf Course Owners Assn. Sports education background with experience in endowment activities.
- **Dr. Amy Gregory** Experience in consumer behavior and business optimization strategies. Current graduate class now producing a utilization and pricing strategy for all 3 county courses.
- **Ron Marsch** Mechanical engineer with extensive knowledge of design, constructability, estimating and budget/value reviews. Has worked at Spessard Holland for 8 years.

STEERING COMMITTEE

- **Steve Proctor** Golf historian with 37 years journalism experience. Past president of Gleneagles Golf Club in San Francisco and 27 years in Baltimore watching success of non-profit Baltimore Municipal Golf Corporation.
- **Gerald Thompson** Retired Army Colonel with extensive community management and logistics experience. Former Florida Power and Light procurement executive with responsibility for over \$2 billion in annual contracting activities.
- **Frank Vega** Retired publisher FLORIDA TODAY, Detroit Free Press, and San Francisco Chronicle where he turned around double-digit million dollar annual losses to double-digit annual profits. Key leader in developing charitable funding and 16,000 person volunteer force to build Brevard Zoo. Director of Promise Brevard.

Preliminary Business Plan for “Golf Brevard”

A. Mission

Create a public (**Brevard County**) – private (“**Golf Brevard**”) partnership that will establish a long term relationship to retain **The Habitat** and **Spessard Holland** as affordable, aesthetically pleasing, well-maintained golf courses in a manner that creates long-term financial stability while ensuring affordable access to all Brevard County residents and visitors.

B. Vision

We believe that **The Habitat** and **Spessard Holland** golf courses are unique properties that if properly maintained and marketed will return to profitability. While there are other public golf courses in Brevard, none offers the combination of natural beauty, course design elements and sense of community that are found at **The Habitat** and **Spessard Holland**.

C. Governance and Management Structure

“**Golf Brevard**” will be established as a 501(c)3 nonprofit corporation that will assume full managerial and operational control over **The Habitat** and **Spessard Holland** golf courses. “**Golf Brevard**” will be governed by an independent, rotating seven member voluntary Board of directors with the responsibility for developing and adhering to policies for:

- a. End results (what is to be achieved at what cost)
- b. Executive limitations (what the Director of Golf cannot do)
- c. Board/executive linkage (how the board monitors golf course operations)
- d. Governance process (how the board governs itself)

The Board of Directors will hire a professional Director of Golf who will have complete operations and maintenance control of the two courses within parameters established by the Board. Nominations for Board membership will be sought from community leaders. Candidates will be selected on their demonstrated ability to:

- a. Connect with our local golf community
- b. Think in terms of systems and context and see the big picture
- c. Think long term and strategically
- d. Assess the values underlying actions taken and formulate policy based on them.

The initial board will be chaired by a local business leader with a love for golf who will select three other board members. Two board members will be selected from nominations by golfers at **Spessard Holland** golf course and **The Habitat** (they will not serve as representatives of a respective course, but as representatives of the local golf community). One member will be a key executive of Brevard County government, preferably the county manager or assistant county manager.

Initial board members will be appointed to 1, 2 and 3 year terms, with subsequent appointments to be for 3 years.

D. The Golf Courses: Available to the county in previous consultants’ reports

E. Market Analysis: Available to the county in previous consultants’ reports.

F. Marketing Strategies

Deteriorated playing conditions, confusion created with the change in management in both 2016 and 2017 and current uncertainty as to the future of the courses have resulted in a significant decline in utilization by individuals and groups. Understanding that **The Habitat** and **Spessard Holland** are community golf courses with the majority of players being Brevard County year-round and seasonal residents, "**Golf Brevard's**" marketing plan will focus on reaching out to local surrounding communities to reestablish **The Habitat** and **Spessard Holland** golf courses as prime golfing locations on the Space Coast. The marketing initiatives will include, but are not limited to:

- a. Convert "prepaid annual greens fees" to Memberships, reinforcing the existing sense of community through recognition of member status.
- b. Offer reduced fee, restricted memberships to drive tee times to underutilized times of the day or week.
- c. Redesign on-line marketing to capitalize on the Audubon Sanctuary characteristics of **Spessard Holland** and **The Habitat**, focusing on what golfers love: ocean-to-river location of **Spessard Holland** and no-homes-in-sight location of **The Habitat**.
- d. Create programming events such as "Wine and Nine" or "new golfer" initiatives with adjacent communities (Breakers Condo Assn., The Waters, Melbourne Beach Mobile Home Park and adjacent subdivisions).
- e. Coordinate with Amy Gregory, **Spessard Holland** golfer and assistant professor of University of Central Florida, to mine her knowledge of consumer behavior, marketing and consumer willingness to pay.
- f. Enhance relationships with formal/informal league play by providing increased level of services for record keeping, tee time planning, recruitment of players, and communication via website.
- g. Especially at **Spessard Holland**, create opportunities for the general public to utilize golf facilities, i.e. clubhouses, snack bars, evening walking trails, and putting greens.
- h. Establish relationships with nearby homeowners associations or contiguous neighbors to provide group incentives for golf course use and to solve mutual problems.
- i. Develop new golfer clinics.
- j. Sponsor low dollar entry specialty tournaments for seniors, couples, parent and child, or other groups.
- k. Develop a clearly communicated mechanism for community organizations to access services related to charity/fund raising tournaments.

G. Revenue and Expense Summary:

Revenue: Revenue projections for both courses are detailed in the attached **Three Year Revenue, Rates and Expenses and Cumulative Cash Flow**

Snack bar and merchandising services will be provided as an adjunct to golf course operations, with both services anticipated as contributing in a limited degree to course financial success.

As part of the investigative effort, "**Golf Brevard**" was advised by several golf course professionals regarding pathways to financial success. The major theme expressed by each advisor was that county courses were not charging sufficiently for services.

Meetings and discussions with average golfers at both courses indicate a willingness to pay more for services if both courses remain open and are maintained in excellent condition throughout the calendar year.

Feedback received from golf professionals and the golfing community led to the following long term pricing strategies that constitute foundational assumptions for revenue generation:

- a. A maintenance fee of \$2.00 per round would be communicated and assessed at time of tee time booking.
- b. Published rates for non-annual and non-discount card holders will be CPI indexed to remain sufficient to meet course operating and capital improvement requirements
- c. Pricing policies will be reviewed and renegotiated with Golf Now with the goal of reducing the number (currently at 7200) of non-reimbursed rounds allocated to Golf Now.

The other driver of revenue generation is rounds played. Modest and relatively conservative estimates of increased activity will be generated by marketing activity that builds upon the sense of community existing at both Spessard Holland and The Habitat. First year projection of rounds played is 1.75% below the historical mid-range of rounds played at both courses over the past five years. The average number of rounds for both courses over the past 5 years is 74,300.

Expenses: Monthly fluctuations in cash flow are a significant challenge to golf course operations. High fixed costs are incurred in advance, only to be recovered months later in high season. Brevard County has faced this issue annually. Similar negative cash flows are anticipated by Golf Brevard, also.

Expenses fall into four broad categories: general and administrative; golf operations; capital improvement and golf course maintenance.

General and administrative includes utilities, insurance, licenses, permits, etc. All contracts and agreements will be reviewed but are not anticipated to yield savings to any significant degree.

Golf operations is primarily labor, including management, pro shop and outside customer support. "**Golf Brevard's**" proposed budget includes minimum staffing at minimum wage level required to attract highly qualified personnel.

While the *capital improvement* requirements (over \$1 million by some estimates) are significant, the first year operating budget includes a limited amount for capital repair and maintenance--\$50,000 for each course.

The first year of operations is viewed as a transition year focused on improving playing conditions, analyzing existing contracts for potential savings and implementing marketing strategies designed to increase revenue. We intend to allocate excess revenue in future years to repayment to the County of transitional operating funds, completing capital improvement requirements and increasing awareness in Brevard County of the benefits of golf.

The largest expense, approximately 60% of budget, is *golf course maintenance*. "**Golf Brevard**" intends to initially retain the current contractor, but will immediately negotiate a rate that ties compensation to standards of performance. Within the first year of operation, "**Golf Brevard**" will evaluate contractor's performance to determine if more effective and economical control could be obtained by utilizing in house labor. Improving/enhancing course conditions is a key aspect of generating repeat play, thus improved revenue.

H. Cash Flow Summary/Source of Funds Analysis

"Golf Brevard" requests sufficient first year funding to cover potential losses and provide a reserve fund for ongoing operations. Any funds not required for operations and reasonable reserves will be allocated to remediating existing deferred maintenance and repairs. We believe it counterproductive to both Golf Brevard and the County for "Golf Brevard" to be placed in a position of repeatedly coming back to the County for operating funds needed during the first two years of operation. We believe cash flow requirements should be recognized in advance and funded appropriately.

Cash flows will be enhanced by providing access to 12-month memberships year round, rather than restricting them to the calendar year.

Although there is significant potential for charitable contributions to "Golf Brevard" for capital improvements to the courses, they are not considered as part of initial cash flow projections. PGA golf professional and 2014 PGA FedEx Cup champion Billy Horschel has endorsed Golf Brevard, and approaches are being made to the PGA of America and the USGA for financial and agronomic assistance based on the innovative, non-profit model offered by "Golf Brevard". By supporting a successful program in Brevard, they may be able to provide a model to increase viability for other publicly owned courses.

Negative cash flows are expected to occur in the fall and summer of the first two years of operation.

I. Timeframe and Transition

We propose that "Golf Brevard" become operational 1 October 2018, although we are open to other inception dates at the County's request. The transition to Integrity Golf in 2016 was hasty and chaotic, resulting in significant business loss and a lengthy recovery period. Closure of restaurant facilities fractured social networks, especially at Spessard Holland, and moved golf groups to other venues. Integrity Golf's exit was as harmful as its entrance, leaving the county with unexpected costs that decimated golf's enterprise fund. Unlike previous transitions, "Golf Brevard" intends a transition that is seamless with no negative impact or inconvenience to the golfing public. The October date:

- a. Coincides with the County fiscal year, allowing time for the County to develop a golf course budget for FY2019
- b. Allows "Golf Brevard" sufficient time to incorporate and organize
- c. Allows "Golf Brevard's" Board opportunity to develop operating policies and approve budget
- d. Allows opportunity to complete search, do due diligence and relocate, if necessary, Director of Golf
- e. Develop operations transition plan with IGM, the current manager

An alternative inception date of January 1, 2019 would significantly reduce the amount of first year funding required, as the county would bear the responsibility for negative cash flow in the 4th quarter of the calendar year, as well the risks of a major fall storm.

J. Partnership Support

The goal of "Golf Brevard" is to create a mutually beneficial relationship by continuing to offer Brevard County residents a community-focused golfing experience and to relieve County government of the challenges of managing golf courses. To be successful, "Golf Brevard" requires support during the transitional year—however, that support is expected to be considerably less than ongoing county operation of the courses. We expect to create a charitable foundation to augment revenue and to allow

for capital improvements, though we realize that fund raising can be a long and sometimes difficult process.

Therefore, **"Golf Brevard"** requests the county to provide initial support through:

- a. A startup/transition fund for the purpose of covering initial expenses, protecting against potential losses in the first year and covering repairs necessary to maintain golf operations. The amount required depends upon the agreed upon inception date--\$250,000 if Golf Brevard assumes operations on January 1, 2019 or \$390,000 if on October 1, 2018. Startup/transition fund would be repaid from excess future revenue.
- b. A \$200,000 line of credit to serve as collateral for lease agreements and cover unexpected expenses such as storm damage.
- c. Contingent on fulfilling mutually agreed performance criteria, the opportunity to negotiate a long term operating agreement for the golf courses.

GOLF BREVARD STEERING COMMITTEE

Tom Becker, Chair

Tom brings successful business and non-profit leadership experience to Golf Brevard. Tom retired in 2003 from The Bradford Group, Inc., a Michigan mortgage lending company he founded in 1988. Tom led innovation in the mortgage industry in the 90s that brought mutually beneficial opportunities for mortgage brokers, large multi-state lenders and quasi-governmental agencies. Tom leads a church team of 50 hospital ministry volunteers serving at Holmes, Palm Bay and Viera Hospitals, and has served on the Brevard County Public Golf Advisory Board since 2009. He has led school and church non-profit boards to increased effectiveness through use of the Carver model for board effectiveness. Tom's family moved to West Palm Beach in 1956 when Tom was 13; he learned to play golf at municipal courses—Lake Worth Golf Club and West Palm Beach Country Club—and has played public golf all his life.

Michael J. Coleman

Mike is a newspaper management consultant and serves as chairman of Cool Media Consulting of Melbourne, FL. He retired in 2007 as chairman, CEO and Publisher of FLORIDA TODAY and a variety of other publications in Brevard County. At the time of his retirement, he was also senior group president for the two-dozen, 12-state South Newspaper Group for the Gannett Company. He currently serves as a trustee of The Newseum, The Freedom Forum and its Diversity Institute, all based in Washington, D.C. He is a director of the King Center for the Performing Arts in Melbourne and has chaired several times the Brevard Cultural Alliance, United Way of Brevard Board of Directors and was an executive member of Brevard County's Economic Development Commission. Mr. Coleman is a director of DENTSPLY SIRONA, the leading international manufacturer of dental supplies and equipment, and Ron Jon Surf Shops Worldwide.

William Crudo

A native of Stratford, CT, Bill and his wife Elaine purchased a vacation home in Brevard County in 1999 and moved permanently to Brevard in 2004. A marketing-major graduate of the University of Vermont, Bill entered the Army after graduation as a Medical Service Corps Officer. His army experience spring-boarded his civilian career as a healthcare administrator in New York, Michigan, and Vermont. After his stint as a Vice President at a major academic medical center, Bill was founder and President of a multi-site sports medicine practice. During the latter part of his career, Bill did extensive healthcare management consulting work working with orthopedic groups in the development of ancillary income opportunities such as surgery centers, imaging centers, and new facility development. Two of Bill's latest clients include the University of Vermont Medical Center and Beth Israel/Deaconess Medical Center in Boston. Bill lives in unincorporated Melbourne with his wife of 41 years and has been an active volunteer with the Daily Bread and The Habitat for Humanity.

Priscilla Dillow

Priscilla retired as athletic director and assistant principal at Indianapolis Ben Davis High School in 2002 after a 37-year career as teach, coach and athletic director. She organized and implemented girl's sports programs at Ben Davis and led a \$90 million 5-year renovation project for school facilities. She served as executive director of the Indiana Golf Course Owners Assn. from 2008-2013. Priscilla served on the Board of the Indiana Interscholastic Athletic Directors Assn. for 12 years and was it first female president. She served as chair of the National Interscholastic Athletic Administrators Assn.'s Endowment Committee from 2002-2005, also serving that organization as a member of their Professional Development and Strategic Plan committees. Priscilla received the NIAAA Award of Merit in 1999 and Distinguished Service Award in 2003; she received the Indiana Women of Achievement Award from Ball State University in 2011. She resides seasonally in Melbourne, playing much of her golf at The Habitat.

Dr. Amy Gregory

Amy is an Assistant Professor at the University of Central Florida Rosen College of Hospitality Management. Her academic career was preceded by more than 25 years in industry—predominantly as an executive with the Marriott Corporation. Her experience includes sales, marketing, asset management, business and product development, as well as revenue and inventory management; including international assignments in Europe and Asia. Amy's research and industry service are focused on consumer behavior in various sectors of the local and global hospitality industry, as well as business optimization strategies related to revenue and inventory management. Amy obtained her PhD in Hospitality Management at the University of Central Florida and holds a Masters of International Management from Thunderbird School of Global Management in Glendale, Arizona. She is a year-round resident of Brevard County, wife, mother of two high school boys, and an avid golfer and tennis player. Her graduate students enrolled in Advanced Revenue Management Strategies are working on a utilization and pricing analysis for all three county golf courses, with results expected within the next several weeks.

Ron Marsch

Ron is a construction professional—a mechanical engineer who began as field engineer on a \$300 million dollar project for AT&T in Basking Ridge, NJ in the mid-70s, closing out the project 7 years later as project manager. His experience includes 21 years with the 2nd largest interior construction firm in New York City, where he began as superintendent, then moved progressively to project manager, account executive and full charge of business development. Ron is a skilled scheduler, with understanding of the technical requirements to manage business relocations; he has extensive knowledge of design, constructability, estimating and budget/value engineering reviews. Ron began working at Spessard Holland as a volunteer after he moved to the Melbourne area and is now working at the course greeting golfers and serving as starter, ranger and cart manager.

Rick Ostor

Rick was owner-operator of Harry's Place in Tavernier, Florida Keys from 1984-1998, moving to Florida from Garden City, NY where he served as a divorce attorney from 1972-1984, elected Fellow of the Academy of Matrimonial Lawyers. From 1994-2000 Rick served as president of Rusk Corp., an organization dedicated to obtaining or building a meeting place for AA groups in the Upper Keys. Since 2000 he has served as treasurer and a member of the Board of Directors of Circle Club in Indian Harbor Beach, an organization that provides a meeting place for AA groups.

Steve Proctor

Steve is retired after a 37-year career in journalism, 23 years as a reporter and editor at the Baltimore Sun where he saw first-hand the success of the City of Baltimore's teamwork with the Baltimore Municipal Golf Corporation—a non-profit formed to operate the city's 5 golf courses. He served as deputy managing editor for news, business and sports at the San Francisco Chronicle and two years as managing editor of the Houston Chronicle, the nation's 4th largest newspaper. Steve has been a passionate devotee of municipal golf. He served 3 years as president of Gleneagles Golf Club in San Francisco, a legendary 9-hole course featured in the book *To the Nines* and in the New York Times. He currently manages the Monday Golf League at Spessard Holland, bringing an average of 50 golfers to the course every week during prime season and about 30 during summer and fall. Steve has a passion for the history of golf—an expert in the evolution of the game from a pastime of the Scots to a worldwide spectator sport. His first book on golf—a narrative history of the game's earliest superstar, Tommy Morris, Jr.—is expected to be published soon in Scotland.

Gerald Thompson

Gerald is a retired Army Colonel whose responsibilities as base commander included provision of all facility, logistical and recreational support for a 25,000 person overseas community, including an award-winning golf course; he also directed staff, development and resolution of all issues for providing logistical support to a 213,000 member overseas military force. As Chief Procurement Officer for Florida Power & Light (NextEra Energy), Gerald was responsible for all contracting activities supporting an annual spend of approximately \$2 billion. He is currently involved in management and supply chain consulting and is engaged in volunteer work with several agencies supporting veterans and the military.

Frank Vega

A native of Tampa, Frank is retired after a 35-year career as top executive at leading American newspapers. He finished his career in 2013 as Publisher and CEO of The San Francisco Chronicle. Frank served as publisher of Florida Today from 1984 to 1991. He then served as publisher of The Detroit Free Press, the largest newspaper owned by the Gannett Company. Wherever Frank has lived and worked, he has been deeply involved in community affairs. While living in the Melbourne area, he played a pivotal role in founding the Brevard Zoo, organizing initial fund raising activities and the involvement of 16,000 volunteers to build the zoo. He has been President of the Brevard Arts Council and currently serves on the board of Promise Brevard. Frank is a passionate golfer, having a long record of involvement in hosting prominent golf tournaments including the Charles Schwab Cup and the President's Cup. He is among the founders of the Tiger Shark Golf Company, which introduced the Super Stroke putter grip, a grip that has become widely popular with everyday players and golfers on the professional tours.

Three Year Revenue, Rates and Expenses and Cumulative Cash Flow

unds	Revenue	Expenses	Margin	Rev/Rnd
73000	\$2,056,102	\$2,088,000	-\$31,898	\$28.17
76650	\$2,235,557	\$2,119,320	\$116,237	\$29.17
78174	\$2,358,185	\$2,151,096	\$207,089	\$30.17

= five year average for both courses. Year 2 = 5% increase due to marketing and improved conditions. Year 3 = 2% increase
 L = \$2 maintenance fee per round. Year 2 = \$1 dollar per round rate increase. Year 3 = \$1 per round round rate increase
 iolf Brevard budget for Year 1 and 1..5 % increase for Year 2 and 3.

Habitat

Nov	Dec	Jan 2019	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Totals
2900	3000	3700	4200	4400	3500	2700	2400	2300	2200	2000	35800
\$24.45	\$34.45	\$34.45	\$34.45	\$34.45	\$34.45	\$34.45	\$24.45	\$24.45	\$24.45	\$24.45	\$30.46
\$70,905	\$103,350	\$127,465	\$144,690	\$151,580	\$120,575	\$93,015	\$58,680	\$56,235	\$53,790	\$48,900	\$1,090,310
\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$1,080,000
\$19,095	\$13,350	\$37,465	\$54,690	\$61,580	\$30,575	\$3,015	-\$31,320	-\$33,765	-\$36,210	-\$41,100	\$10,310

The five year average revenue per round =\$28.45

Spessard

Nov	Dec	Jan 2019	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Totals
2800	3000	3800	4400	4800	3700	3000	2500	2300	2200	2100	37200
\$19.86	\$29.86	\$29.86	\$29.86	\$29.86	\$29.86	\$29.86	\$19.86	\$19.86	\$19.86	\$19.86	\$25.96
\$55,608	\$89,580	\$113,468	\$131,384	\$143,328	\$110,482	\$89,580	\$49,650	\$45,678	\$43,692	\$41,706	\$965,792
\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$84,000	\$1,008,000
\$28,392	\$5,580	\$29,468	\$47,384	\$59,328	\$26,482	\$5,580	-\$34,350	-\$38,322	-\$40,308	-\$42,294	-\$42,208

The five year average revenue per round =\$23.86

\$47,487	\$18,930	\$66,933	\$102,074	\$120,908	\$57,057	\$8,595	-\$65,670	-\$72,087	-\$76,518	-\$83,394	-\$31,898
\$108,726	-\$89,796	-\$22,863	\$79,211	\$200,119	\$257,176	\$265,771	\$200,101	\$128,014	\$51,496	-\$31,898	-\$31,898

What Golf Brevard Will Do and How Success Will Be Measured

ENDS (What we do for whom and at what cost.)

POLICY TYPE: ENDS

POLICY TITLE: GLOBAL ENDS POLICY

The purpose of Golf Brevard, in partnership with Brevard County, is to retain The Habitat and Spessard Holland Golf Courses as aesthetically pleasing, well-maintained golf courses in a manner that creates long-term financial stability while ensuring affordable access to all Brevard County residents and visitors.

POLICY TYPE: ENDS

POLICY TITLE: FINANCIAL STABILITY

Golf Brevard will make measurable steps toward long-term financial stability by doing the following:

1. Reversing existing trends in rounds played, so that year by year there is an increase in number of rounds played until course utilization is maximized.
2. Increasing revenue per round played until income from utilization of golf course operations and contributions sufficiently meets operations, maintenance and capital improvement needs.
3. Initiating alternate income sources for capital improvements and major maintenance to reduce and eventually eliminate county financial contributions
4. Reducing county financial assistance to golf course operations and capital maintenance progressively year by year

POLICY TYPE: ENDS

POLICY TITLE: GOLF COURSE MAINTENANCE

Golf Brevard's golf courses will be well maintained with the purpose of enabling both an increase in rounds played and an increase in revenue received per round:

1. Course conditions will be recognized as excellent by golfers playing the courses.
2. Course condition will not deter an increase in revenue per round.

POLICY TYPE: ENDS

POLICY TITLE: AFFORDABILITY

Golf Brevard will establish a competitive pricing model designed to provide sufficient but not excessive funds to operate and maintain the golf courses at a level consistent with the Board's Ends policies on Financial Stability and Golf Course Maintenance.

1. Recognizing the unique position of county golf courses as public facilities, Golf Brevard will continue to offer golf at rates lower than non-public courses; however those lower rates may be offered on days or times of day that are in less demand.
2. Rates charged during peak demand season may be higher than other periods to enable lower pricing at other times of the year.

POLICY TYPE: ENDS

POLICY TITLE: AESTHETICALLY PLEASING

Golf Brevard will maintain golf courses that are aesthetically pleasing.

1. Welcome and clubhouse areas will offer a pleasing first impression to golfers and guests.
2. The golf courses will maintain their Audubon Sanctuary status.
3. Maintenance standards and procedures will protect the beauty, habitats and unique environmental setting of the courses.

ORGANIZATION LIMITATIONS: (What Golf Brevard cannot do.)

POLICY TYPE: ORGANIZATION LIMITATIONS

POLICY TITLE: GLOBAL ORGANIZATION CONSTRAINT

Golf Brevard shall not cause or allow any practice, activity, decision or organizational circumstance that is either unlawful, imprudent or in violation of commonly accepted business and professional ethics.

POLICY TYPE: ORGANIZATION LIMITATIONS

POLICY TITLE: FINANCIAL PLANNING AND BUDGETING

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the Brevard County Board of County Commissioners' Ends priorities, risk fiscal jeopardy or fail to be derived from a multiyear plan.

Accordingly, Golf Brevard may not allow budgeting that:

1. Contains too little information to enable a credible projection of revenues and expenses, separation of capital and operational items, cash flow and disclosure of planning assumptions.
2. Plans the expenditure in any fiscal year of more funds, including those projected to be received from the county, than are conservatively projected to be received in that period.
3. Allows cash to drop below a safety reserve of less than \$10,000 at any time

POLICY TYPE: ORGANIZATION LIMITATIONS

POLICY TITLE: FINANCIAL CONDITIONS AND ACTIVITIES

With respect to the actual, ongoing financial condition and activities, Golf Brevard shall not allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in Ends policies.

Accordingly Golf Brevard may not:

1. Expend more funds than have been received in the fiscal year to date, unless provision for such expenditure is projected in Golf Brevard's budget and cash flow plan.
2. Indebt the organization in an amount greater than can be repaid by certain, otherwise unencumbered revenues within sixty days unless such encumbrance is necessary to golf course operations and can be reasonably assumed by a subsequent golf course operator.
3. Fail to settle debts in a timely manner.
4. Allow tax payments or other government-ordered payments or filings, including license and permit fees, to be overdue or inaccurately filed.
5. Acquire, encumber or dispose of real property.

POLICY TYPE: ORGANIZATION LIMITATIONS

POLICY TITLE: ASSET PROTECTION

Golf Brevard shall not allow the assets to be unprotected, inadequately maintained or unnecessarily risked.

Accordingly, Golf Brevard may not:

1. Fail to insure non-realty assets against theft and casualty losses to at least 80% of replacement value (or higher as required by state law) and against liability to board members, staff and the organization itself in an amount greater than the average for comparable organizations.
2. Allow unbonded personnel access to material amounts of funds.
3. Subject plant and equipment to improper wear and tear or insufficient maintenance.
4. Unnecessarily expose the county, its board or staff to claims of liability, including allowing work to be done on the county's premises by those without appropriate licenses and insurance coverages.
5. Make any purchase wherein normally prudent protection has not been given against conflict of interest, or major purchases without having obtained comparative prices and assuring a balance of long term quality and cost.
6. Fail to protect intellectual property, information and files from loss or significant damage.
7. Receive, process or disburse funds under controls that are insufficient to meet the board-appointed auditor's standards.
8. Invest or hold operating capital in insecure instruments, including uninsured checking accounts.
9. Endanger the county's public image or credibility, particularly in ways that would hinder its accomplishment of mission.

POLICY TYPE: ORGANIZATION LIMITATIONS

POLICY TITLE: COMPENSATION AND BENEFITS

With respect to compensation and benefits to employees, consultants, contract workers and volunteers, Golf Brevard shall not cause or allow jeopardy to fiscal integrity or public image.

Accordingly, Golf Brevard may not:

1. Promise or imply permanent or guaranteed employment.
2. Establish current compensation that deviates materially from the geographic or professional market for the skills employed.
3. Create compensation obligations over a longer term than revenues can be safely projected, in no event longer than one year, and in all events subject to losses in revenue.

POLICY TYPE: ORGANIZATION LIMITATIONS

POLICY TITLE: COMMUNICATION AND SUPPORT TO THE BOARD

Golf Brevard shall not permit the board of county commissioners to be uninformed or unsupported in its work.

Accordingly, Golf Brevard shall not:

1. Neglect to submit monitoring data required by the Board of County Commissioners (see policy on monitoring Golf Brevard performance) in a timely, accurate and understandable fashion, directly addressing provisions of board policies being monitored.
2. Let the Board of County Commissioners be unaware of relevant trends, material external and internal changes, particularly changes in the assumptions upon which any board policy has previously been established related to the county owned golf courses.
3. Fail to report in a timely manner an actual or anticipated non-compliance with any policy of the Board of County Commissioners.

BOARD-ASSOCIATION MANAGER LINKAGE (How the board connects to Golf Brevard)

POLICY TYPE: BOARD-GOLF BREVARD LINKAGE

POLICY TITLE: GLOBAL BOARD-CEO LINKAGE

The board of county commissioners' sole official connection to the operational organization, its achievements and conduct will be through Golf Brevard's board president; the only exception to

this policy shall be the duty of the county representative on Golf Brevard's board to disclose to the board of county commissioners any act or omission by Golf Brevard that, in the opinion of the county representative, would jeopardize the county's interest in the golf courses. In such event, the county representative shall first inform the Golf Brevard board president of his/her intended action.

POLICY TYPE: BOARD-GOLF BREVARD LINKAGE

POLICY TITLE: DELEGATION TO GOLF BREVARD

The board of county commissioners will instruct Golf Brevard through written policies that prescribe the organizational Ends to be achieved and describe organizational situations and actions to be avoided, allowing Golf Brevard to use any reasonable interpretation of these policies.

Accordingly,

1. The board of county commissioners or its designee will develop policies instructing Golf Brevard to achieve certain results, for certain recipients at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels, and will be called Ends Policies.
2. The board of county commissioners may develop policies that limit the latitude Golf Brevard exercises in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Organization Limitations.
3. As long as Golf Brevard uses any reasonable interpretation of the board of county commissioners' Ends and Organization Limitations policies, Golf Brevard is authorized to establish all further policies, make all decisions, take all actions, establish all practices and develop all activities.
4. The board of county commissioners may change its Ends and Organization Limitation policies, thereby shifting the boundary between board and Golf Brevard domains. By doing so, the board changes the latitude of choice given to Golf Brevard. But as long as any particular delegation is in place, the board will respect and support Golf Brevard's choices.

POLICY TYPE: BOARD-GOLF BREVARD LINKAGE

POLICY TITLE: MONITORING GOLF BREVARD PERFORMANCE

Systematic and rigorous monitoring of Golf Brevard performance will be solely against the only expected Golf Brevard outputs: organizational accomplishment of board of county commissioners' policies on Ends and organizational operation within the boundaries established in board policies on Organizational Limitations.

Accordingly,

1. Monitoring is simply to determine the degree to which county commission policies established for Golf Brevard are being met. Data that do not do this will not be considered to be monitoring data.
2. The board will acquire monitoring data by one or more of three methods: (a) by internal report, in which Golf Brevard discloses compliance information to the board, (b) by external report, in which an external, disinterested third party selected by the board assesses compliance with board policies, and (c) by direct board inspection, in which a designated member or members of the board or their designee assesses compliance with the appropriate policy criteria.
3. In every case, the standard for compliance shall be *any reasonable Golf Brevard interpretation* of the board policy being monitored.
4. All policies that instruct Golf Brevard will be monitored at a frequency or by a method chosen by the board of county commissioners. The board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.

<i>Policy</i>	<i>Method</i>	<i>Frequency</i>
Financial planning and budgeting	Internal	Monthly*
Financial condition and activities	Internal	Monthly*
	Direct inspection	Annually
Asset protection	Direct inspection	Annually
Compensation and benefits	Internal	Quarterly**
Communication and support to the board	Direct inspection	Annually
Financial stability	Internal	Quarterly
	External	Annually
Golf course maintenance	Internal	Semi-annually
Affordability	Internal	Quarterly
Aesthetically pleasing	Internal	Quarterly

* Quarterly after year 1

** Annually after year 1

SAMPLE

GOLF COURSE MANAGEMENT AGREEMENT

THIS AGREEMENT made as of the _____ day of _____, 2018, by and between Brevard County, Florida (the County) acting through the Board of County Commissioners and Golf Brevard, a non-profit corporation of the state of Florida,

WITNESSETH:

WHEREAS, the County owns and operates two golf courses in south Brevard County—Spessard Holland Golf Course and The Habitat Golf Course (“Golf Course Properties”), and

WHEREAS, the County believes it is in the best interests of the public if the golf courses were managed and operated in the most efficient manner possible and if physical improvements were made to such courses, and

WHEREAS, the Brevard County Golf Advisory Board has recommended the County agree with Golf Brevard for management services for such courses, and

WHEREAS, Golf Brevard will bring expertise in the management of golf courses, and

NOW, THEREFORE, in consideration of the mutual covenants and promises, the County and Golf Brevard hereby agree as follows:

I. OPERATING AGREEMENTS

- 1.1 The County hereby contracts with Golf Brevard for operation of its real property and fixtures identified in Appendix A-1 and A-2 as identified in the maps thereto and marked 1 and 2, the personal property identified in Appendix B-1 and B-2, and the equipment identified in Appendix C1 and C2, collectively known as the “Golf Course Properties”, all in “as is” condition and Golf Brevard accepts said operation agreement subject to the terms and conditions stated herein. The effective date of this agreement shall be October 1, 2018. The initial term of this agreement shall be three (3) years, whereupon it may thereafter be renewed on the same terms and conditions for an additional term of fifteen (15) years, then each five (5) years for additional terms of five (5) years unless terminated in accordance with Article 12.
- 1.2 It is understood and agreed that the Golf Course Properties do not include public highways, streets and thoroughfares. The County shall continue to be responsible for the regulation and maintenance of roadways in and through the golf course properties dedicated to public use unless damaged due to the negligence of Golf Brevard, its employees or agents which damage shall be the responsibility of Golf Brevard to promptly repair. The driveway at The Habitat Golf Course, running from Valkaria Road to the clubhouse, shall be the responsibility of the County to maintain and repair. Golf Brevard shall be responsible for cleaning of the driveway. The County shall have the right to use the driveway when necessary.
- 1.3 Golf Brevard shall, at its own cost and expense, keep and maintain the Golf Course Properties throughout the term of this Agreement in good, substantial

and sufficient condition, repair and order, fair wear and tear excepted, including any and all improvements, expansions and replacements made by Golf Brevard. Golf Brevard agrees to use its best efforts to improve or cause to be improved the Golf Course Properties, including the buildings, the concession areas and golfing areas. It is understood and agreed that Golf Brevard shall have the right to sell or otherwise dispose of all fixtures, personal property and equipment included in the Golf Course Properties and any replacements thereto so long as any net proceeds of any such sale or disposal is applied to the purchase of additional or replacement fixtures, personal property or equipment of the same or any other kind to be used solely for the benefit and improvement of the Golf Course Properties. All such improvements, expansions, replacements and fixtures shall become part of the Golf Course Properties.

- 1.4 The County agrees that Golf Brevard has the right to maintain and operate on the Golf Course Properties, through lease arrangements or otherwise, restaurant, convenience and fast food facilities, merchandise sales, golf driving ranges, cart rental, and other concessions and other recreational facilities, all of which shall be open to the public on reasonable terms and conditions to be determined by Golf Brevard. The County agrees that Golf Brevard may, from time to time, rent all or part of the Golf Course Properties for all appropriate types of events, some of which may be catered, pursuant to a fee schedule set by Golf Brevard and that all such rental payments and all residual income, e.g. from promotions, advertising, tournaments, TV and radio benefits, sponsorships, programs and license fees, shall accrue to Golf Brevard.
- 1.5 Golf Brevard agrees to establish and maintain programs to improve the condition and operation of the Golf Course Properties. To this end, Golf Brevard agrees as promptly as possible:
 - 1.5.1 To provide access to the Golf Course Properties for charitable events and assist in providing such events on reasonable terms and conditions.
 - 1.5.2 To establish and document a program for the physical improvement of the Golf Course Properties.
 - 1.5.3 To establish and document a comprehensive program to teach and make the game of golf available to the citizens of Brevard County, including working with public and private schools to advance their opportunity to play.
 - 1.5.4 To establish a program for both team and individual competition between and among men and women at the junior, adult and senior levels in order to develop interest in competitive golf in the Brevard County area.
- 1.6 Golf Brevard and the County agree to negotiate and carry out an annual cooperative program to introduce, promote and make the game of golf available to the citizens of Brevard County.

2. ASSIGNMENT OF CONTRACTS

Effective as of the date of this Agreement, the County assigns to Golf Brevard the contracts as set forth in Appendix D. The County avers that these contracts are the only contracts known to be outstanding with regard to the Golf Course Properties and agrees that it will indemnify, defend and save Golf Brevard harmless against

loss or liability associated with any contract associated with Golf Course Properties not included in Appendix D. Golf Brevard shall be solely responsible for contracts included in Appendix D. Reassignment of said contracts gives Golf Brevard the right to renegotiate terms or terminate said contracts without penalty. Golf Brevard has copies of all such contracts.

3. PERSONNEL

Golf Brevard agrees to hire qualified personnel to operate and maintain the entire physical plant of the Golf Course Properties at a high level of efficiency. Golf Brevard shall be solely responsible for the employment and supervision of personnel required for the management, utilization, maintenance and operation of the Golf Course Properties and the negotiation of any contracts that may be involved in the employment of such personnel. All employees of Golf Brevard shall be its employees only and shall not be deemed to be employees of the County. Golf Brevard shall make every reasonable effort to recruit employees who reside in Brevard County and shall comply with all applicable laws concerning equal opportunity in employment.

4. FUND RAISING

Golf Brevard shall seek to be self-supporting, and will thus promptly begin and use its best efforts to conduct a fundraising and grant application program in an effort to raise capital for course improvements and operating budgets. Golf Brevard shall report to the County at least once each fiscal year, and at such other times as may be reasonably required by the County, on its fund-raising activities.

5. ENDOWMENT FUND

Golf Brevard's intention is to operate the Golf Course Properties on a self-sustaining basis. It is Golf Brevard's further intention to dedicate all revenues that accrue in excess of operating expenses (excluding debt service and equipment lease/purchase payments) to an endowment fund that may be utilized for capital expenditures, course and facility expansions, additions, replacements and renovation. In any year in which Golf Brevard fails to operate on at least a self-sustaining basis, said endowment fund shall be used by Golf Brevard for operating expenses before requesting supplementary funds from the County. In no event, however, shall the County request or require from Golf Brevard funds from said endowment fund for purposes other than investment in the Golf Course Properties.

6. COUNTY FUNDING OF GOLF BREVARD

6.1 The County shall provide Golf Brevard with initial funding of \$_____ to be repaid by Golf Brevard in three (3) equal annual payments without interest beginning September 30, 2020; however, Golf Brevard shall have no obligation to repay the remainder of such funds beyond the end date of this Agreement and any

subsequent Agreement of the parties hereto, except as required by Section 11 of this agreement, nor shall Golf Brevard have any obligation to repay on September 30th of any year an amount that would reduce current assets to a balance of less than \$500,000.

One-third of the initial funding amount shall be paid to Golf Brevard on _____ 1, 2018 (30 days prior to Golf Brevard assuming operations) and the balance paid to Golf Brevard on _____ (date of Golf Brevard assuming operations).

Such initial funding shall be used by Golf Brevard to cover anticipated monthly operating deficits during the first two years of this Agreement and to remedy existing deferred maintenance issues.

6.2 The County shall provide for or arrange a \$200,000 line of credit for Golf Brevard, which shall be used solely for emergency repairs of Golf Course Properties or as collateral for leases of equipment for Golf Course Properties. Any portion of the line of credit utilized by Golf Brevard shall be placed as a first priority for repayment when the Golf Brevard Endowment Fund exceeds \$750,000 at the end of any fiscal year.

6.3 On or before the County's Budget Date, Golf Brevard shall provide the County with a copy of the following with regard to its operation of the Golf Course Properties:

- (i) Operating budget
- (ii) Revenue budget
- (iii) Capitol improvement budget
- (iv) Customary supporting data

6.4 It is understood and agreed that if Golf Brevard projects and/or incurs an operating deficit, it may apply for and receive, according to the County's budget procedures, a budget subsidy and/or such supplementary appropriations as the County may grant.

6.5 If Golf Brevard should believe that one or more capital expenditures is needed or desirable, but that such expenditure should be funded in whole or in part by the County, Golf Brevard may make a request for funding, according to County procedures, and the County shall determine whether or not to grant such requests. Golf Brevard shall have the authority to let any and all such contracts for such capital expenditures unless prohibited by law from doing so. Any improvement, repair or fixture to the Golf Course Properties, whether funded by the County, Golf Brevard or by others shall be the property of the County and shall be considered a part of said Golf Course Properties. Golf Brevard shall submit to the County plans for any and all buildings or major improvements to buildings on the Golf Course Properties and shall obtain the prior approval of the County for such capital projects.

6.6 Records of Golf Brevard's expenses pertaining to the performance of its obligations, duties and services hereunder shall be kept in accordance with generally accepted accounting principles and shall be available for inspection by the County's authorized representative at all reasonable times. For purposes of financial planning and preparation of budgets, Golf Brevard shall promptly furnish to the County such financial information and data and estimates of future expenditures as the County may reasonably require. Golf Brevard shall have prepared at its expense an annual review and compilation of its financial records and an annual report within 120 days after the end of its fiscal year. The review and compilation shall be subject to review by the County. The County shall have the right to review all books and records of Golf Brevard at the Golf Brevard offices and to perform its own audit if it wishes. Golf Brevard shall keep its books and records at its principal office and shall maintain them for the term of this agreement and any extensions.

6.7 The County shall retain responsibility to maintain lakes and ponds at the Golf Course Properties.

6.8 The County will provide necessary advice and available logistical assistance in support of recovery operations from a named storm or hurricane.

6.9 The County shall be provided the opportunity for legal review of all contracts and agreements entered into by Golf Brevard.

6.10 Golf Brevard shall submit to the County a quarterly financial statement showing revenue and expenses, grants, donations, and other financial information that may be reasonably requested by the County.

7. INSURANCE; INDEMNIFICATION

7.1 Before the effective date of this Management Agreement, Golf Brevard shall, at its own expense, obtain a public liability policy, issued by a financially sound company, which will protect all parties to this Agreement against any claims for personal injuries, including death, and against claims for property damage which may arise out of or in connection with any operation or activities of Golf Brevard in connection with any operation or activities of Golf Brevard in exercise of any of the privileges or duties granted herein. The amount of such insurance shall be as follows: insurance in an amount of not less than \$___ million for injuries, including death, to any one person, in an amount of not less than \$___ million for injuries, including death, of more than one person, on account of any one accident, and property damage insurance in the amount of not less than \$_____ for each accident.

7.2 Golf Brevard shall provide, at its own cost, workers compensation insurance as required by law.

7.3 Golf Brevard shall provide, at its own expense, directors and officers liability insurance.

7.4 Golf Brevard shall provide, at its own expense, a fiduciary bond in an amount satisfactory to the County, which shall cover all parties who handle funds pursuant to this agreement.

7.5 The County shall be named as an additional insured on all policies enumerated above.

7.6 All policies listed above shall be subject to the approval of the County or its designated representative. Golf Brevard shall provide to the County, prior to the effective date of this Agreement, certificates of insurance of each of the above coverages. Additionally, at the request of the County or its designated representative, actual copies of the policies shall be submitted for review.

7.7 All of the above policies shall be help in force at all times while this Agreement is in place.

7.8 The County shall provide fire and other casualty insurance in respect of the Golf Course Properties in such amount as was provided for the Golf Course Properties immediately prior to the date of approval of this Agreement.

7.9 In addition to providing the insurance policies as stated above, Golf Brevard shall indemnify and hold harmless the County from any and all liability, claims, losses, damages, suits and actions at law of every kind and description arising or resulting from the operations contemplated by this Agreement. Such indemnification shall not be limited to the amounts of the insurance provided herein.

7.10 The County agrees to defend Golf Brevard and its trustees or directors, officers and employees from and against any claim,, suit, cost, expense or liability which Gold Brevard or its trustees or directors, officers or employees may incur by reason of any third party seeking to assert any liability, obligation or affirmative relief against Golf Brevard or any of its trustees or directors, officers and employees in respect to the Golf Course Properties. Such defense shall be coordinated with any defense representation available through the auspices of any of Golf Brevard's insurers. The defense services provided herein shall not mean or intend that the County shall be responsible for any judgment, liability, obligation or affirmative relief obtained against Golf Brevard, its trustees or directors, officers or employees, which shall be the responsibility of Golf Brevard.

8. DAMAGE OR DESTRUCTION

8.1 Golf Brevard shall notify the County promptly of any fire or other damage to the Golf Course Properties.

8.2 With respect to any damage or destruction to the Golf Course Properties by fire or other cause at any time during the term of the Agreement, the County shall promptly restore the damaged or destroyed premises at the County's sole expense and in a good and workmanlike manner. Within forty-five (45) days of the occurrence, the County shall give Golf Brevard a schedule of completion for such restoration. If such schedule contemplates a period of completion in excess of one hundred eighty (180) days from the date of the occurrence, Golf Brevard shall have the following rights:

8.2.1 To restore the damaged or destroyed premises at the County's sole expense, but at a cost not more than the replacement cost of the destroyed or damaged premises, and to be reimbursed for the entire cost incurred by Golf Brevard for such restoration.

8.2.2 To terminate this Agreement by notice given to the County.

9. FORCE MAJEURE

9.1 Except as otherwise provided, neither party shall be obligated to perform hereunder and neither shall be deemed to be in default if performance is prevented by a fire, earthquake, flood, act of God, riot, civil commotion or other matter or condition of nature, including the unavailability of sufficient fuel or energy to operate the Golf Course Properties, or of any law, ordinance, rule, regulation or order of any public or military authority stemming from the existence of economic controls, riot, hostilities, war or governmental law and regulation. In the event of a labor dispute which results in a strike, picket or boycott affecting Golf Brevard operation of one or more of the Golf Course Properties or any services described in this Agreement, Golf Brevard shall not be deemed to be in default or breach of any part of this Agreement, and Golf Brevard shall continue to be responsible for operating the Golf Course Properties.

10. DEFAULT

10.1 Any one or more of the following shall be an "Event of Default" or "Events of Default" under this Agreement:

10.1.1 With respect to Golf Brevard:

10.1.1.1 Golf Brevard shall fail to perform or observe any obligation of Golf Brevard under any provision of this Agreement, and any such failure shall continue and not be remedied within thirty (30) days after notice from the County specifying same; unless causes beyond the reasonable control of Golf Brevard, such failure cannot be cured within thirty (30) days; and Golf Brevard advises the County in writing promptly after the County's notice that Golf Brevard intends to take all steps necessary to remedy such default with due diligence and duly institutes and diligently prosecutes to completion the steps necessary to remedy the same, then remedies the same within a reasonable time after advising the County of Golf Brevard's intention to do so.

10.1.1.2 Golf Brevard abandons the Golf Course Properties, unless as a result of casualty therein).

10.1.1.3 This Agreement or the Golf Course Properties, any part thereof or estate therein, shall be taken upon execution or by other process of law directed against Golf Brevard, or shall be taken upon or subject to any attachment at the instance of any creditor of or claimant against Golf Brevard, and said attachment shall not be discharged or disposed of within ninety (90) days after levy thereof. County shall be reimbursed by Golf Brevard for any cost or expenses by it if County pays any such claims.

10.1.1.4 Golf Brevard shall be declared bankrupt by any competent court having proper jurisdiction.

10.2 With respect to the County, if the County shall fail to perform or observe any obligation of the County under any provision of this Agreement, and such failure shall continue and shall not be remedied within thirty (30) days after notice from Golf Brevard specifying same, unless for causes beyond the reasonable control of the County such failure cannot be cured within thirty (30) days, and the County advises Golf Brevard in writing promptly after Golf Brevard's notice that the County intends to remedy such default with due diligence and duly institutes and diligently prosecutes to completion the steps necessary to remedy the same and remedies the same within a reasonable time after advising Golf Brevard of the County's intention to do so.

10.3 After a material Event of Default on the part of Golf Brevard, the County shall have the right, at the County's sole discretion, to elect to terminate this Agreement by notice to Golf Brevard as provided below. After a material Event of Default on the part of the County, Golf Brevard shall have the right, at Golf Brevard's sole discretion, to elect to terminate this Agreement by notice to the County as provided. The failure of the County or Golf Brevard to seek redress of any Event of Default, or to insist upon the strict performance of any provision of this Agreement, shall not prevent a subsequent act which would have originally constituted an Event of Default from having all the force and effect of any original Event of Default or from requiring performance of any provision herein.

11. TERMINATION

11.1 If the County elects to terminate pursuant to this Agreement, for cause as specified above, it shall give Golf Brevard written notice of its election to so terminate, specifying in such notice a termination date which is at least six (6) months subsequent to the date of the giving of such notice, and on such date this Agreement shall terminate in all respects and one or before such termination date Golf Brevard shall vacate the Golf Course Properties and all facilities therein. If Golf Brevard elects to terminate pursuant to this Agreement, for cause as specified above, it shall give the County written notice of its election to so terminate, specifying in such notice a termination date which is at least six (6) months subsequent to the date of the giving of such notice, and on such date this Agreement

shall terminate in all respects and on or before such termination date shall vacate the Golf Course Properties.

11.2 Upon termination of this Agreement, the County and Golf Brevard shall have no further responsibility or liability under or in respect of this Agreement, except that within two hundred and seventy (270) days of the receipt or giving of any notice of termination of this Agreement or of the last day of the Term, as the case may be, Golf Brevard shall deliver to the County an accounting setting forth for the particular fiscal year its Revenues and Operating Expenses to the termination date, and thereafter, but within ninety (90) days after receipt of such accounting, Golf Brevard shall transfer to the County:

11.2.1 Any funds previously paid to Golf Brevard by the County and unexpended to the date of termination.

11.2.2 The equipment owned by Golf Brevard and to the extent not theretofore disposed of by Golf Brevard because of wear, tear or obsolescence, in the condition existing, i.e. "AS IS" at the time of transfer; and

11.2.3 Ownership of all specifications, plans, drawings and related documents prepared by any architect, consulting engineer or contractor for any facilities of the Golf Course Properties.

11.2.4 All books, records, statements pertaining to the Golf Course Properties and its finances since the date of operation.

11.2.5 All buildings, personalty, exhibits, manuals, supplies and fixtures located in and about the Golf Course Properties and used by Golf Brevard whenever obtained or purchased, for purposes of the Golf Course Properties as stated herein.

11.3 Upon termination of this Agreement, Golf Brevard shall have the right to retain any unexpended grants, bequests, contributions and funds raised or received by it for the benefit of the Golf Course Properties, subject to any restrictions placed thereon by the applicable gift instrument unless such restrictions are released by the donor, and Golf Brevard may use such funds for general charitable and educational purposes or return such funds to the donors if such is the donor's request. All accrued income from admissions, concessions, rides, etc. shall be the property of the County.

12. NOTICES

12.1 All notices, requests, demands, elections, consents, approvals, designations and other communications of any kind hereunder ("Notices") must be in writing and addressed to the parties as follows:

If to the County:

If to Golf Brevard:

12.2 Any Notice required by this Agreement to be given or made within a specified period of time, or on or before a date certain, shall be deemed given or made only if sent by certified mail, return receipt requested, and postage and registry fees prepaid. A Notice so sent by certified mail shall be deemed given on the date of mailing. All other Notices shall be deemed given when received.

13. MISCELLANEOUS

13.1 This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of Florida.

13.2 Except as otherwise specifically permitted hereunder, Golf Brevard shall not assign or otherwise encumber this Agreement, or sublet the Golf Course Properties (or any portion thereof), or permit the Golf Course Properties to be used by others in violation of this Agreement, without the prior written consent of the County, and any attempted assignment, encumbering, subletting or unauthorized use shall be void and of no effect as against the County. Subject to the foregoing, all the provisions of this Agreement, whether so expressed or not, shall be binding upon the respective successors, assigns and legal representatives as stated herein, of the parties hereto and shall inure to the benefit of and be enforceable by the parties hereto and their respective successors, assigns and legal representatives.

13.3 If any lien is filed against the Golf Course Properties by reason of work, labor, services or materials supplied or allegedly supplied to Golf Brevard or anyone claiming through or under Golf Brevard or by reason of Golf Brevard's failure to comply with the law, Golf Brevard shall cause the same to be discharged by payment or otherwise within ninety (90) days after the earlier of (1) notice to Golf Brevard of the filing or assertion of such lien or (2) notice to Golf Brevard from the County to the same effect. If Golf Brevard fails to do so, in addition to any right or remedy hereunder, the County may (but shall not be obligated to) discharge such lien by bonding or otherwise, and Golf Brevard shall promptly repay County for such cost. Nothing in this Agreement shall be deemed or construed in any way as constituting the consent or request of the County, express or implied, to any contractor, subcontractor, laborer or materialman for the performance of any labor or furnishing of any material for any alteration of the Golf Course Properties.

13.4 Upon observing the provisions of this Agreement, Golf Brevard shall and may lawfully hold and enjoy the Golf Course Properties during the term without hindrance, molestation or interruption.

13.5 Nothing herein shall be deemed to create any joint venture or principal-agent relationship between the parties, and neither part is authorized to, and neither party shall act toward third parties or the public in any manner which would indicate any such relationship with the other. Golf Brevard is an independent contractor in terms of managing and operating the Golf Course Properties.

13.6 If any subsection, sentence, clause, phrase or portion of this Agreement is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision and such holding shall not affect the validity of the remaining portions of this Agreement.

13.7 Golf Brevard shall perform all services hereunder in compliance with all applicable laws and regulations of the United States of America and agencies thereof, and of the State of Florida, and in compliance with all applicable provisions of the laws of the County.

13.8 No member of the governing body of the County, and no other officer, employee or agent of the County who exercises any functions or responsibility in connection with the services to be performed under this Agreement, shall have any personal financial interest, direct or indirect, in this Agreement, or in the Golf Course properties or in Golf Brevard.

13.9 If the whole or any part of the Golf Course Properties is taken under power of eminent domain, then the County and Golf Brevard at each party's option shall have the right to terminate pursuant to this Agreement. If the parties elect to continue this Agreement, then the County, at its sole option, may make such repairs, alterations or replacements in order to restore the part of the Golf Course Properties not taken to useful condition. The County shall not be obligated to replace any of the land within the Golf Course Properties' boundaries if taken by eminent domain.

13.10 All compensation awarded for any taking of the Golf Course Properties or any interest in them shall belong to and be the property of the County, Golf Brevard hereby assigning to the County all rights with respect thereto; provided, however, nothing contained herein shall prevent Golf Brevard from applying for reimbursement from the condemning authority (if permitted by law) but only if such action shall not reduce the amount of the award or other compensation otherwise recoverable from the condemning authority by the County.

13.11 This Agreement embodies the entire agreement and understanding between Golf Brevard and supersedes all prior agreements and understandings relating to the subject matter hereof. This Agreement may not be modified or amended or any provision hereof waived or discharged except in writing signed by the party against whom such amendment, modifications, waiver or discharge is sought to be enforced. The headings of this Agreement are for purposes of convenience only and shall not limit or otherwise affect the meaning of any provision of this Agreement. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

WITNESS, the hands and seals of the parties hereto as of this day and year
above written.

(Signatures)