



## Legislation Text

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**File #:** 120246., **Version:** 0

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### **Bid/Proposal Process for the Operation and/or Maintenance of Ironwood Golf Course (B)**

**This item involves a request for the City Commission to authorize the City Manager to initiate a bid/proposal process for operation and/or maintenance of Ironwood Golf Course.**

The City purchased Ironwood Golf Course in 1992 for \$1.2 million and approximately \$1 million was bonded for improvements. The City will complete payment of this original debt in the current fiscal year (FY12). In 2008, due to the City's ongoing fiscal challenges, a team of City employees began a project to identify and evaluate options for the future of Ironwood Golf Course that ranged from selling the property to converting the property to a passive park to investing in critical capital improvements while retaining the golf course.

The City hired National Golf Foundation Consulting Services (NGF) to work with the City's team to evaluate Ironwood Golf Course and its operations providing options and recommendations. Ultimately NGF's report was provided to the City Commission and the Commission decided to retain Ironwood as a City operated golf course and to complete capital improvements essential to the ongoing viability of the golf course. To this end, the City invested approximately \$1.3 million to improve long running drainage issues, rebuild the greens and complete other improvements.

The Commission also made the long-term decision to transition Ironwood Golf Course from an enterprise fund to the general fund over a 10 year period to allow time to pay-off the accumulated deficit (\$300,000 annually over 10 years through FY19). As of FY 20, the accumulated deficit will have been paid off and Ironwood will be part of the general fund no longer subject to indirect costs and treated similar to other Parks, Recreation and Cultural Affairs operations. Based on the policy decisions already made by the City Commission, City staff believes a key gauge of the current performance of Ironwood Golf Course is the net annual cost of operating the golf course (a view of Ironwood as if it were already part of the general fund).

Ironwood reopened for play in November 2010 almost two years ago. Ironwood's performance since that time has generated more than enough revenue to cover the costs of the capital improvements; however, the annual rounds played and revenue has not reached the potential identified by NGF. City staff believes the potential remains for improving Ironwood's performance as a City operated golf course as the economy recovers and by fully implementing a number of the operational recommendations made by NGF.

City staff believes the timing is appropriate to explore private sector interest and capabilities in the operation and/or maintenance of Ironwood Golf Course. To achieve this, City staff would like to procure the services of NGF to assist the City with a bid/proposal process that would allow the City to solicit proposals for private sector operation and/or maintenance of the golf course and compare the advantages and disadvantages of contracting for services versus continued operation as a City operated golf course.

The cost of NGF services to assist with the bid/proposal process is expected to be approximately \$8,000. In addition, City staff time will be required working with NGF through the bid/request/process.

The City Commission authorize the City Manager to initiate a bid/proposal process for operation and/or maintenance of Ironwood Golf Course.

#### Alternative Recommendation

The City Commission decline to authorize the City Manager to proceed with a bid/proposal process for operation and/or maintenance of Ironwood Golf Course. This would result in the City proceeding with a maintenance-only bid process.