



Decker Lake World Class Golf Venue Project Summary

March 2015

Background

- The Parks and Recreation Department (PARC) is proposing a license agreement with Decker Lake Golf LLC (DLG) for 735 acres of 1,400 acres of undeveloped land at Walter E. Long Metropolitan Park for the two-phase development of two world class, environmentally-sensitive golf courses.
- The license agreement will be for a term of 50 years and will include four (4) 10-year renewal options for a combined potential total 90 years.
- This project includes no City of Austin investment or bond issuance and will be completely funded by private investment.
- DLG will pay to construct the two golf courses.
- DLG will pay maintain, and repair the golf courses. No City investment is required.
- DLG successfully responded to a Request for Qualifications Statement (RFQS) issued by PARC in 2014.
- DLG's proposal includes substantial benefits to the community in terms of environmental protection, job creation in East Austin, private investment in East Austin, and General Fund revenue that can be used for the City's parks system and other City-owned golf courses.

Decker Lake Golf LLC – Project Overview

- The first phase of the project will include an 18-hole championship golf course that will be designed by Ben Crenshaw and Bill Coore. The first phase will also include a clubhouse, meeting space, food service, a driving range, and related amenities.
- The second phase of the project will include a second championship golf course and other park amenities.
- Before any construction begins, DLG will conduct a feasibility study for the project that will include developing construction cost estimates, operating cost estimates, and job creation estimates.
- The overall development plan includes new trails for connectivity and a golf Short Course Learning Center focused on youth programming.
- The project will be developed as a world-class golf venue. As such, the Professional Golfers' Association (PGA) Tour has expressed interest in bringing major golf events to the venue. The PGA Tour conducts over 100 golf tournaments annually. A hallmark of the PGA Tour is their support of over 3,000 local and national charitable organizations. In 2013, the PGA Tour contributed over \$133 million to charitable organizations. The Developer has agreed to terminate this agreement if a PGA Tour event commitment is not secured.
- The proposed location of the venue, which is in close proximity to State Highway 130 and the Austin-Bergstrom International Airport, offers a unique opportunity for hosting some of the largest golf events in the country.
- The project is aligned with the Imagine Austin vision by stimulating economic development in the eastern section of Travis County through job creation, private commercial investment, and tourism.

Community Benefits

- DLG will carry out a community involvement process when designing and planning the golf courses. Quarterly community engagement meetings will be held starting 90 days after the effective date of the agreement.
- DLG will hold an annual open house or town hall meeting to discuss golf and event operations which may have any impact to the community.

- DLG will design and construct the golf courses in accordance with the “Park within a Park” concept to include recreational, cultural, and communal amenities.
- DLG will partner with the City to provide golf instruction via camps and individual instruction to youth.
- DLG will participate in the PARD Financial Aid for Youth Programs.
- DLG will develop a Short Course within seven years or simultaneously with the second course, whichever is earlier.
- DLG will design the golf courses with consideration for traffic flow and will pay for sufficient road and traffic management facilities to ensure that the golf courses will safely and seamlessly integrate into the existing road system.
- Austin residents can receive a minimum 40% discount provided that a tee time reservation is requested in seven (7) days or less.
- A non-Austin resident surcharge of \$10.00 will be accounted for separately and 25% of the surcharge will be used for park improvements to parks within District 1. The remaining 75% of the surcharge will be used to benefit the Short Course.
- All revenues from the Short Course will be accounted for separately, and the revenues will be used to construct, maintain, and operate the Short Course and to carry out related educational and recreational programming.

Economic Benefits to the City

- DLG estimates a 10-year economic impact to the City of Austin of \$334.5 million through visitor spending, payroll from operations, construction spending, and annual operations spending.
- There are examples of economic development adjacent to similar types of golf courses that includes commercial uses such as restaurants, hotels, and retail stores.

Financial Benefits to the City – Commissions Revenue

- DLG will share a percentage of gross revenues collected for the golf courses, concessions, space rental, tournaments, and events. PARD estimates the City will receive \$4.8 million in commissions revenue over the first 10 year period.
- DLG will pay a minimum \$90,000 annually to the City.
- For the first 15 years of operation, the City’s percentage of gross revenues will range from a minimum of 3% to as high as 11%.
- For years 16 through 25 of operation, the City’s percentage of gross revenues will be a constant 11%.
- For years 25 through 90 of operation, the City’s percentage of gross revenues will be a constant 12%.
- As an example, the table below illustrates the City’s share of \$15 million gross revenues, which is estimated to be in year 10 of the project:

Tier	Gross Collected Revenue	Multiplier	Annual Lump Sum to the City
1	\$4,000,000	3%	\$120,000
2	\$4,000,000	5%	\$200,000
3	\$4,000,000	7%	\$280,000
4	\$4,000,000	9%	\$270,000
Subtotal			\$870,000
Less annual aggregate of monthly fees \$12,500 * 12 = \$90,000			(\$90,000)
Total Annual Lump Sum			\$780,000

Financial Benefits to the City – Sales Tax and Hotel Occupancy Tax Revenue

- DLG estimates the City will directly receive \$3.5 million in sales tax revenue and \$4.5 million in hotel occupancy tax revenue over the first 10 years.
- DLG estimates the City will indirectly receive \$1.8 million in sales tax revenue over the first 10 years.

Job Creation Benefits

- DLG anticipates 35 permanent jobs will be created for operations of the first phase of the project.
- DLG anticipates a total of 50 permanent jobs will be used for operations upon completion of the second phase of the project.
- DLG anticipates up to 168 construction jobs will be created for the first phase of the project and up to 113 construction jobs will be created for the second phase of the project.
- DLG will hold job recruitment fairs within City Council District 1 and other adjacent Districts. There will also be a preference for hiring Veterans.
- DLG shall make commercially reasonable efforts to recruit residents of the Austin area for its New Full-time Jobs, such as posting open position listings on websites, publications, or services used by residents of the Austin area to find employment. The Company shall provide documentation of its efforts to the City upon request.
- In addition to its own efforts, the Company shall make commercially reasonable efforts to work with local non-profit organizations such as the Austin Gay and Lesbian Chamber of Commerce, the Austin/Travis County Reentry Roundtable, the Greater Austin Asian Chamber of Commerce, the Greater Austin Black Chamber of Commerce, the Greater Austin Hispanic Chamber of Commerce, Minorities for Equality in Employment Education Liberty and Justice (MEEELJ), the Texas Department of Assistive and Rehabilitative Services (DARS), and/or other appropriate organizations to expand its pool of diverse candidates in hiring recruitment efforts for jobs at the IT Services Center. The Company shall provide documentation of its efforts to the City upon request.

Minority-Owned and Women-Owned Business (MBE/WBE) Opportunities

- DLG, its contractor(s) and subcontractor(s) will adhere to the City's MBE/WBE contracting requirements.

Adherence to Prevailing Wage Requirements for Construction Workers

- DLG, its contractor(s) and subcontractor(s) will adhere to the City's prevailing wage requirements for construction workers.

Adherence to Non-Discrimination Policies

- DLG, its contractor(s) and subcontractor(s) will adhere to the City's non-discrimination policy requirements and will not discriminate on the basis of race, color, national origin, sex, sexual orientation, or gender identity.

Construction Work Safety Requirements

- DLG, its contractor(s) and subcontractor(s) will adhere to the City's workplaces safety requirements.
- DLG's contractor(s) and subcontractor(s) will provide workers compensation insurance.
- DLG will initiate, maintain, and supervise all safety precautions and programs for constructing the golf courses.
- DLG's contractor(s) and subcontractor(s) will comply with the Occupational Safety and Health Act (OSHA).
- DLG's contractor(s) will identify a Safety Representative who will be responsible for conducting safety training; identifying and mitigating hazardous conditions and unsafe work practices; and developing, maintaining, and supervising the implementation of safe work practices and safety programs.
- The Safety Representative will complete the OSHA 30-hour Construction Industry Outreach Program.

- The Safety Representative will verify that all construction workers, whether employed by the contractor(s) or subcontractor(s), have completed the OSHA 10-hour Construction Industry Training Outreach Program. No workers will be allowed on site without submitting a certificate of training completion, and the Safety Representative will have all such certificates available for inspection by the City.
- The Safety Representative will ensure that construction workers have completed all applicable OSHA specific or other training needed to perform his/her job assignments.
- The Safety Representative will post notice on the job site stating that all workers shall have completed the OSHA 10-hour Construction Industry Training. The Safety Representative will post all OSHA and worker's compensation notices in English and Spanish at one or more conspicuous locations on the job site. For any accident involving individuals or property damage, DLG will provide verbal notification to the City's Project Manager within one (1) hour of the accident. Within 24 hours, DLG will provide the City Project Manager written notification of the accident including circumstances surrounding the event. And within 48 hours, copies of written documentation such as photographs, witness interviews, medical reports, police accident reports, and other documentation will be provided to the City's Project Manager.
- The City can stop construction activity at any point if a safety violation has occurred until the cause for such order is eliminated.

Water Sourcing

- DLG has identified a deep brackish well as a viable water source for irrigation that will not impact City of Austin water sources.
- DLG will submit plans for water resources to be approved by the City Council.
- Watershed Protection has indicated that they agree with the Developer's assessment of the water source.
- Austin Water Utility has confirmed this water source will not have an impact on any City of Austin water resource.

Environmental Protection Measures

- DLG will install onsite rainwater catchment systems designed to capture water for reuse to offset water used by the courses and facilities.
- DLG will obtain Audubon Certification for both golf courses, which is an environmental education and certification program that helps golf courses protect the environment and preserve the natural heritage of the game of golf. DLG will obtain re-certification every two (2) years after the first certification.
- DLG will design and construct both golf courses to meet GEO Certified Standards and will achieve GEO Certification no later than two years after the City provides Certificate of Occupancy.
- DLG will design and construct the clubhouse and any future buildings of over 2,000 square feet to achieve a minimum 2-star rating in Austin Energy's Green Building Program or achieve U.S. Green Building Council Silver LEED Certification.
- DLG will comply with federal and state storm water regulations and will obtain all necessary storm water discharge permits.
- DLG will participate and comply with the City's rules and regulations pertaining to the Regional Storm Water Management Program.
- DLG will implement a 150-foot development buffer from the shoreline of Walter E. Long Lake.
- DLG will develop a golf course appropriate Integrated Pest Management Plan and submit it to the Watershed Protection Department (WPD) for review and approval to minimize potential environmental impacts of pesticides and fertilizers use on the premises.
- DLG will consult with the WPD regarding the completion of the Environmental Resource Inventory.
- DLG will work with WPD regarding City Code requirements regarding critical environmental feature buffers and wetland mitigation.