




MEMORANDUM

TO: Mayor and City Council

FROM: Sara L. Hensley, CPRP, Director
Austin Parks and Recreation 

DATE: September 8, 2014

SUBJECT: Walter E. Long Metropolitan Park - RFQS

The purpose of this memorandum is to provide an update on the results of the Request for Qualification Statement (RFQS) issued to determine interest in financing, developing and managing a new municipal golf course facility at the Walter E. Long Metropolitan Park. The City of Austin acquired the property in 1968 and designated 735 acres of the eastern portion of the park for the development of a golf course. Although many other sections of the property have been developed over the years, the portion earmarked for the golf course remains undeveloped with restricted access available to the public.

Staff reviewed two proposals and recommends the proposal submitted by Decker Lake Golf, LLC (DLG). In October, staff will request authority from the Austin City Council to negotiate and execute a long-term license agreement with DLG.

Decker Lake Golf, LLC Proposal:

DLG's proposed project is for complete financing and development of two world-class, environmentally sensitive golf courses to be completed in two phases. Phase One, designed by Ben Crenshaw and Bill Coore, world renowned for their unique and sustainable golf course designs, includes the construction of an eighteen hole championship golf course, complete with a club house, meeting space, food service, a driving range, and related amenities.

Phase Two, which is anticipated to begin between years five and ten of opening, will include a second eighteen hole championship golf course and other park amenities. The overall development plan includes new trails for connectivity and a golf short course learning center focused on youth programming and growing the game of golf in the community. This proposed golf short course learning center would be operated by a separate non-profit organization.

The project will offer public access to a world class golf venue suitable for hosting major golf events by either, or both, the PGA Tour and PGA of America, both of which having already expressed an interest. Given the proximity of the proposed course to State Highway 130 and the airport, the development offers a unique opportunity to host some of the largest golf events in the country. In addition, the project is aligned with the Imagine Austin Vision by stimulating economic development in the eastern section of Travis County through job creation, commercial investment, and tourism.

The Key Terms of the proposal are as follows:

- Term: Establish fifty (50) year term with four ten (10) year extensions.

- Revenue - DLG will share a portion of all gross revenues based on the following:
 - Year 1 through 15: (revenues in year five estimated at \$10.5 million)
 - 3% of revenues < \$4 million
 - 5% of revenues between \$4 million - \$8 million
 - 7% of revenues between \$8 million - \$12 million
 - 9% of revenues between \$12 million - \$16 million
 - 11% of revenues > \$16 million
 - Year 16 through 25 = 11% of all gross revenues
 - Year 25 and beyond = 12% of all gross revenues
- Public Involvement – DLG will conduct public outreach, beginning with the site analysis phase throughout the conceptual design phase.
- Design – DLG will adhere to all City of Austin codes in place at the time of execution of this agreement and will include City of Austin staff in design review.
- Water –DLG and City staff have initiated conversations with the Austin Water Utility about expansion of the reclaimed water system to this area. While the Water Utility has no immediate plans for the expansion to Walter E. Long Lake, expansion in this region is included in their long range plans and could be expedited given the additional users of the golf course and other future development. DLG will be responsible for obtaining the water necessary for the operation of the golf courses.

The City of Austin Charter (Article II) prohibits the lease, sale, mortgage, conveyance or alienation of parkland. Decker Lake Golf, LLC has requested a term in which the City would provide remedy in the case the license agreement was revoked by the City without cause thus eliminating this risk for investors. This course of action changes the license agreement to a lease which is in conflict with the City Charter.

Next Steps:

- Present recommended proposal to Parks and Recreation Board Land, Facilities and Programs Committee – September 8th
- Present recommended proposal to Parks and Recreation Board Contracts and Concessions Committee – September 9th
- Present recommended proposal to Parks and Recreation Board – September 23rd
- Request authority to negotiate and execute an agreement to City Council – October 2nd

For further information regarding this matter, please contact Kevin Gomillion at (512) 974-9351 or at kevin.gomillion@austintexas.gov.

cc: Marc A. Ott, City Manager
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