

RECREATION, LIBRARIES AND AUTHORITIES COMMITTEE

12-0622R

RESOLUTION AUTHORIZING AMENDMENT TO AGREEMENT 21045, CONCESSION MANAGEMENT BETWEEN THE CITY AND PROFESSIONAL GOLF MANAGEMENT, INC. THE AMENDMENT EXTENDS OPERATION OF THE ENGER AND LESTER PARK GOLF COURSES THROUGH 2013 FOR \$416,160.

CITY PROPOSAL:

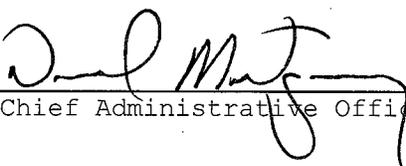
RESOLVED, the proper city officials authorize amendment to concession management agreement 21045, substantially the same as that on file in the office of the city clerk as Public Document No. _____, between the city and Professional Golf Management, Inc. The amendment extends operation and management of the Lester Park and Enger Park golf courses for an additional year, ending December 31, 2013. The annual cost in 2013 will be \$416,160, payable from Fund 503 (Golf), 400 (Parks and Recreation), ENGR and LSTR (Enger and Lester Golf Course).

Approved:



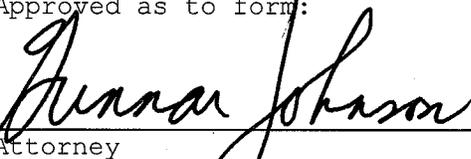
Department Director

Approved for presentation to council:



Chief Administrative Officer

Approved as to form:



Attorney

Approved:



Auditor

PARKS KB:ro 12/10/2012

STATEMENT OF PURPOSE: This resolution authorizes the proper city officials to amend an agreement with Professional Golf Management, Inc. ("PGM") for the operation and maintenance of the city-owned Enger Park and Lester Park golf courses. In 2007 PGM took over course maintenance. Under this agreement PGM will continue to manage all day to day operations of the courses including maintenance of the property and clubhouse operations one additional year (through 2013). This agreement amends contract 21045, the prior agreement with PGM.

**AMENDMENT TO AGREEMENT
BETWEEN THE CITY OF DULUTH
AND**

PROFESSIONAL GOLF MANAGEMENT, INC.

The Agreement #21045 (the "Agreement") between City of Duluth ("City") and Professional Golf Management, Inc. ("Concessionaire") relating to Concessionaire's management of the Golf Courses is amended as set forth below. Capitalized terms used in this Amendment but not defined herein shall have the meanings ascribed to them in the Agreement.

WHEREAS, the City and Concessionaire wish to amend the Agreement to extend the Term of the agreement.

NOW, THEREFORE, in consideration of the mutual benefits contained herein, the parties agree as follows:

1. Article 2 (TERM) of the Agreement is amended as follows

The term of this Agreement shall begin on January 1, 2010, and end at midnight, ~~December 31, 2012~~ December 31, 2013, unless earlier terminated by either party, as set out herein.

2. Article 3 of the Agreement is amended as follows (deleting the strike through language and adding the underlined language):

3.1 City may terminate this Agreement without cause by giving Concessionaire at least sixty (60) days written notice prior to December 31, ~~2012~~ 2013. City may terminate this Agreement for cause pursuant to Article 3.1 hereof. City may not terminate this Agreement without cause during the period April 1, 2010 through October 1, 2010, April 1, 2011 through October 1, 2011, ~~and April 1, 2012 through October 1, 2012, and April 1, 2013 through October 1, 2013~~. The City may, at any time within 60 days notice, terminate this Agreement in the event it sells all or part of one or more of the Golf Courses.

3.2 Concessionaire may not terminate this Agreement without cause during the period April 1, 2010 through October 1, 2010, and April 1, 2011 through October 1, 2011, ~~and April 1, 2012 through October 1, 2012, and April 1, 2013 through October 1, 2013~~. Otherwise, Concessionaire may terminate this Agreement without cause by giving the City at least sixty days written notice.

3. Article 17 of the Agreement is amended as follows (deleting the strike through language and adding the underlined language):

17.1.1 Periodic fixed payments to be determined by City Auditor after consultation with Concessionaire based on an annual fee of \$400,000 for the first year (2010), \$408,000 for the second year (2011), ~~and \$416,160 for the third year (2012) and \$416,160 for the fourth year (2013)~~.

4. Except as specifically amended pursuant to this Amendment, the Agreement remains in full force and effect. In the event of a conflict between the provisions of this Amendment and the provisions of the Agreement, the provisions of this Amendment shall govern.

IN WITNESS WHEREOF, the parties have set their hands the day and date first shown below.

CITY OF DULUTH

**PROFESSIONAL GOLF
MANAGEMENT, INC.**

By: _____
Its Mayor

By: _____
Its _____

Attest: _____
Its City Clerk

Tax I.D. _____

Countersigned:

By: _____
Its _____

By: _____
Its City Auditor

Tax I.D. _____

Approved as to form:

By: _____
Its City Attorney