



# Council Communication

Office of the City Manager

Date February 23, 2009

Agenda Item No. 60  
Roll Call No. 09-  
Communication No. 09-097  
Submitted by: Donald M. Tripp, Director of  
Park and Recreation

## AGENDA HEADING:

Resolution with respect to public hearing on the authorization of a lease agreement between the City of Des Moines and Textron Financial Corporation for the rental of golf carts for a six month period in the principal amount of six lease payments of \$12,365.73 each (total price of \$74,194.38).

## SYNOPSIS:

Recommend approval to authorize the Golf Car (or cart) lease agreement to E-Z-GO Textron (Kevin Holleran, President, 1451 Marvin Griffin Road, Augusta, GA 30906). The existing lease agreement with Textron Financial Corporation that provided golf carts to Waveland and Grandview golf course expired on December 31, 2008. Due to the fact that Waveland and Grandview will be privately operated for the 2010 golf season, staff is recommending the agreement be extended for the 2009 season.

## FISCAL IMPACT:

Amount: \$74,194.38

Funding Source: Funding for the lease is available in the FY09 Operating Budget as follows.

- EN201 PKS 010704, page 250 (Grandview - 45 cars) \$28,536.30
- EN201 PKS 010707, page 251 (Waveland - 72 cars) \$45,658.08

The golf car lease payment will be paid through user fees from car rentals. This past season (Jan. 1 – Dec. 31, 2008), the City collected \$245,958 at Waveland and \$215,470 at Grandview for a total collection of \$461,428 from golf car rentals.

## ADDITIONAL INFORMATION:

On March 20, 2006, the City of Des Moines entered into a lease with E-Z-GO Division of Textron, Inc. for rental of golf carts for a three year period. Five bids were mailed and three bids were received with E-Z-GO receiving the award.

On December 22, 2008, the City Council approved a recommendation of the Golf RFP Evaluation and Selection Committee's and Park and Recreation Board's recommendations to authorize the City Manager to negotiate and execute a contract with C-Corporation, (Jeff Chiodo, president) for the management of Grandview and Waveland Golf Courses effective January 15, 2010.

Starting January 15, 2010, C-Corporation will be responsible for all facets of the golf operation at Waveland, Grandview and Blank.

The proposed lease agreement would allow the City to utilize the existing golf carts from the past lease for one additional year under similar lease agreement terms from the previous agreement. E-Z-GO Division of Textron, Inc., will provide the City 117 golf carts to be used at Waveland and Grandview golf courses while also providing two (2) beverage vending carts at no additional cost. While researching options it was found that local golf cart vendors rarely lease carts for less than three years due to the investment returns needed for the vendor. Nonetheless, the previous vendor that supplied the carts has agreed to supply us with the exact previous fleet of golf carts for the 2009 season under the same financial terms, \$74,194.38 for the six month season. The only major change in the terms is now the City would be responsible for any repairs. The carts will be four years old for the 2009 season, so staff is willing to agree to that term change. After speaking with the vendor and both golf superintendents, staff is conservatively forecasting this to be less than \$10,000 during the period of the contract. The Parks Department already completes similar repairs to turf equipment. The Legal Department has reviewed and approved the proposed lease agreement.

A sample of the Golf Car Lease Agreement is on file in the City Clerk's Office in addition to the Financing Agreement with National City Golf Finance, who will be financing the E-Z-GO Textron Golf Car Lease. Staff recommends that the City Manager be authorized to sign the Assignment Agreement upon Council approval.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: February 9, 2009

Roll Call Number: 09-185

Action: On lease agreement with Textron Financial Corporation for rental of golf carts for the 2009 golf season, (2-23-09). (Council Communication No. 09-054) Moved by Vlassis to adopt. Motion Carried 7-0.

Date: December 22, 2008

Roll Call Number: 08-2220

Action: Accepting proposal from C Corporation for the management of Grandview and Waveland Municipal Golf Courses, and authorizing the City Manager to negotiate an agreement. (Council Communication No. 08-753) Moved by Meyer to include in the contract early termination provisions for both parties, with the City's right to terminate early if C Corporation does not meet their Capital Improvement obligations. Motion Carried 5-1-1. Nays: Mahaffey Pass: Vlassis

Date: March 6, 2006

Roll Call Number: 06-435

Action: On Lease Agreement with E-Z-Go Division of Textron, Inc., for rental of golf carts over a 3-year period and allowing for one 3-year extension, \$74,194.38 annually, (3-20-06). Moved by Brooks to adopt. Motion Carried 6-1.

**BOARD/COMMISSION ACTION(S):**

Date: December 10, 2008 Park and Recreation Board Meeting

Roll Call Number: N/A

Action: Park and Recreation Board approved the Golf RFP recommendation. Motion carried 8-2.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Second and final public hearing on February 23, 2009.

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