

STATEMENT OF BUDGET IMPACT
(Policy Number 94-45)
Budgetary Review of Proposed Resolution &
Ordinances with Financial Implication.

Date: June 15, 2016

BIS 16-205

File: TMP-2016-290

Proposed Legislation:

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, APPROVING AND AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXTEND THE EXISTING MANAGEMENT AGREEMENT BETWEEN THE CITY OF HOLLYWOOD AND JCD GOLF OF FLORIDA D/B/A JCD SPORTS GROUP (JCD) FOR A TWO (2) YEAR PERIOD WITH AN OPTION TO RENEW FOR A TWO (2) YEAR PERIOD IN ORDER TO CONTINUE THE OPERATION OF THE ORANGEBROOK GOLF AND COUNTRY CLUB FOR AN ANNUAL PAYMENT NOT TO EXCEED \$97,000.00.

Statement of Budget Impact:

1. No Budget Impact associated with this action;
2. Sufficient resources are identified /available;
3. Budgetary resources not identified/unavailable;
4. Potential revenue is possible with this action;
5. Will not increase the cost of Housing;
6. May increase the cost of Housing; (CDAB review required)

Explanation:

This Resolution seeks approval and authorization for extension of the existing Management Agreement between JCD Sports Group (JCD) and the City of Hollywood to continue the operation of the Orangebrook Golf and Country Club (Orangebrook) for a two (2) year extension period commencing on October 1, 2016 and ending on September 30, 2018 with an option to renew for one additional two (2) year period for an annual payment not to exceed \$97,000.00.

On September 6, 2006, the City Commission passed and adopted Resolution R-2006-282 which authorized the negotiation and execution of a Management Agreement between JCD and the City to provide management services for Orangebrook for a five (5) year term commencing on October 1, 2006 and ending on September 30, 2011 for an annual management fee of \$90,000 with a 4% increase on October 1st of each of

the subsequent four years, providing an escalating annual payment reaching \$105,287.27 during the fifth year of the Agreement.

On March 2, 2011, the City Commission passed and adopted Resolution R-2011-046 which authorized the execution of an Addendum to the existing Management Agreement for an additional five (5) year term commencing on October 1, 2011 and ending on September 30, 2016 with no renewal period and providing for a renegotiated non-escalating annual management fee not to exceed \$97,000.00.

The City Commission have requested that City staff complete a fiscal impact analysis, an environmental assessment, a community charrette and a statistically sound survey to determine the future of Orangebrook Golf and Country Club in the City's golf system. To provide adequate time for the completion of the assessment and presentation of the results, and due to the impending termination of the existing Agreement on September 30, 2016 with no renewal option, the Department of Parks, Recreation and Cultural Arts recommends that the City Commission extend the existing management agreement with JCD for a two (2) year period, under the existing terms and conditions, with an option to renew for an additional two (2) year period at the sole discretion of the City.

JCD has agreed to provide the City with continued management services of Orangebrook for an additional two (2) year period commencing on October 1, 2016 and ending on September 30, 2018, with the option to renew at the City's sole discretion for one additional two (2) year period under the same terms and conditions, for an annual management fee not to exceed \$97,000.00.

Section 38.40 (C)(8) of the City's Purchasing Ordinance allows the competitive bidding process to be waived when the City Commission declares, by a 5/7ths vote, that the competitive process is not in the best interest of the City.

This award is subject to the City receiving all insurance required and approved by the City's Risk Manager, along with signed statements of Hold Harmless and Indemnity to the City.

Funding for this service has been appropriated in the FY 2016 Golf Enterprise Fund Account #44.3101.00000.572.003117, and will be requested in subsequent fiscal year operating budgets subject to their passage and adoption by the City Commission.

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