

Issue Date: May 10, 2019



Request for Proposals

The City of Enumclaw is seeking proposals to operate for profit the

Enumclaw Golf Course

Proposals due by **June 10, 2019**



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Request for Proposals

For the management and operation of the Enumclaw Golf Course

Enumclaw Golf Course Operations

Purpose

The City of Enumclaw is currently requesting competitive sealed proposals from qualified management, individuals, or firms experienced in working with public agencies to operate, maintain, and manage the City of Enumclaw Golf Course in Enumclaw, Washington. The Request for Proposals (RFP) pertains to the comprehensive operation of the Enumclaw Golf Course including all revenues and expenses relating to golf program, pro shop and restaurant for the contract period of a minimum of five (5) years beginning on or about January 1, 2020.

Golf Course Background

The Enumclaw Golf Course was transferred from King County to the City in 2003 along with the Enumclaw Pool. The Golf Course has 18 holes. The front nine was developed in the 1950's and the back nine was developed in 1970's. The City accepted the golf course with the understanding that the property was outdated, in poor condition and that minimal capital improvements had been made in the previous decade. The primary issue that affects play is poor drainage during winter and spring. The wet fairway conditions are exacerbated by multiple flooding events since 2003 that have deposited streambed materials within the Boise Creek channel, leading to stream water levels that in some areas are higher than the fairway surface.

In 2005, the City selected an independent operator for the Golf Course. The operator was obligated to maintain and participate in facility improvements that create a thriving golf environment. The five year lease ended in 2009. The City solicited proposals in 2009 for a new operator and ultimately determined that municipal operation was preferable to the terms of the private proposals. The city operated and maintained the course from 2010-2012.

The City again solicited proposals for a private operator in late 2012 and selected Swiftwater Golf Management, LLC for a 5-year lease. This lease was extended for two years through 2019.



From 2005 to 2012, the City invested approximately \$150,000 in irrigation system and other improvements at the Golf Course. The Men's Club has volunteered on numerous

occasions, partnering with the City to improve the course, primarily on projects improving fairway drainage. Course maintenance workers have also completed several drainage improvements on approaches and collars of greens during the winter season. Public Works crews repaired and cleaned a large drainage pipe that had collapsed and became partially filled with sediment. In 2018 the City replaced the irrigation controller.

Golf Stats / Revenues

As represented in the tables below, the round count was very consistent from 2004-2008. Figures were not available for 2009, the final year for the previous contract operator. Round count and revenue noticeably decreased from 2008-2011. The percentage, or breakdown, of revenue that food and beverage sales comprised is unknown for the previous contract operator.

Attracting new users is essential to the financial success of the golf course. The course has more capacity for golf play than is currently represented. A marketing and business plan for the golf course will be required of the successful operator. The golf course has the potential to attract additional non-golfers to the restaurant and pro shop to augment the revenues for the golf course operation.

Revenues of Contract Operator
(includes food, beverage and merchandise sales)

| | 2004 | 2005 | 2006 | 2007 | 2008 |
|----------------|-----------|-----------|-----------|-----------|-----------|
| Revenue | \$660,000 | \$641,043 | \$630,758 | \$708,562 | \$684,861 |
| Rounds | 29,500 | 28,496 | 30,483 | 29,291 | 28,397 |

Revenues of City Municipal Operation
(without food, beverage or merchandise sales)

| | 2010 | 2011 | 2012 |
|----------------|-----------|-----------|-----------|
| Revenue | \$422,223 | \$360,680 | \$379,539 |
| Rounds | 25,324 | 20,424 | 20,850 |

Revenues of Contract Operator
(without food, beverage or merchandise sales)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|----------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Revenue | \$418,058 | \$405,379 | \$484,844 | \$457,182 | \$401,959 | \$469,935 |
| Rounds | 22,403 | 21,223 | 25,595 | 21,708 | 20,080 | 22,062 |

Golf Fees

The City, under its operation of the course, continued the pricing structure of the previous private operator. This included seasonal passes as indicated below. The new operator will not be required to offer annual or seasonal passes, but rather have the ability to establish fees and charges annually that meet the financial and operational objectives of the golf course. The fees for 2019 are as follows:

| Rates | Weekday | Weekend |
|---|--------------|--------------|
| Standard 18 Holes 9 Holes | \$26 \$17 | \$34 \$20 |
| Seniors (60+) 18 Holes 9 Holes | \$20 \$14 | \$28 \$17 |
| Juniors (17-) 18 Holes 9 Holes | \$20 \$14 | \$28 \$17 |
| Twilight | \$20 | \$23 |
| Twilight w/Cart | \$30 | \$33 |
| Power Carts 18 Holes 9 Holes | \$14 \$8 | \$14 \$8 |
| Seasonal Pass (Feb-Oct) | \$945 | |
| Trail Fee per round annually | \$5 \$70 | |

Other Revenue

The clubhouse has under-building storage for golf cars, some of which is rented to private individuals. The operator will have full discretion as to the use of this storage area. The course currently has a trail fee for privately-owned cars. The operator shall have full discretion as to whether imposing a trail fee is necessary to achieve the financial objectives of its operation, but if imposed the operator will be expected to make path improvements a priority.

Facility rental of the course and/or restaurant is acceptable and encouraged, provided all proposed uses or events are consistent with city code and applicable state and federal law. The restaurant has been sub-leased and either the continuation of such or operation by the Lessee is acceptable to the City.

Practice Range

The City has considered potential locations for a practice range to complement the existing course as well as increase revenue and lesson opportunities. Adjacent property owned by the City and leased to the Enumclaw Expo Center may be available for the construction of a practice range. A feasibility study should be completed if the successful operator is interested in a partnership with the City on such an investment.

Expenses

The operator is responsible for all day to day business expenses. All proposals must take into consideration the operating costs associated with the golf course including:

- Staff, benefits, uniforms
- Supplies, fuel, fertilizers, chemicals
- Application of pesticides, herbicides and fungicides to ensure quality greens
- Utilities (except irrigation water)
- Fuel storage tank maintenance, environmental liability insurance and permitting
- General building upkeep including routine HVAC system maintenance
- Advertising, marketing, sales inventory
- Maintenance and upkeep of grounds equipment, mowers, cars
- Maintenance of all commercial kitchen fixtures
- Commercial liability insurance
- Leasehold Excise Tax (12.84% of Lease Amount)

The City has a full complement of course maintenance equipment as detailed in Appendix A. This equipment shall be included in the lease with the operator responsible for all routine maintenance and upkeep and costs associated with any repairs necessary. The operator is responsible for providing any additional equipment they deem necessary for the operation and maintenance of the course, clubhouse and restaurant.

The operator would be solely and independently responsible for providing golf cars.

The City and operator shall cooperatively prepare a capital enhancement plan annually for the golf course and buildings on a case by case basis, the magnitude of which shall be determined by the financial status of the Golf Course Fund of the City. The City will not be obligated to invest in course improvements, however, the City does commit to investing such revenues generated by the Golf Course Fund to the long-term sustainability of the Golf Course assets.

Financial Requirements

The operator shall secure and retain sufficient capital to meet the financial requirement to operate the golf course and related services on a year-round basis. The City requires a damage and performance bond of \$25,000 to be held in escrow for the duration of the agreement.

MARKET AND EVENT POTENTIAL

Community Profile

The City of Enumclaw is located in south-central [King County](#), Washington on a plateau nestled against the Cascade Foothills. This geographical position provides the community with a mild Northwest climate, access to major transportation and urban centers via three state highway routes, and proximity to recreational, social, and economic opportunities. The Enumclaw market potential within 15 miles is approximately 68,000 residents.

Enumclaw enjoys a stable economy supported by mild job growth in manufacturing and bolstered by recently formed economic development strategies. Enumclaw residents take pride in its friendly, well-maintained neighborhoods, quality schools, courteous businesses, and community involvement. These qualities make Enumclaw a modern example of the small-town values and lifestyle romanticized throughout our American heritage.

Major Employers

| Population | |
|---|------------------------------|
| Within City Limits | 11,660 (2018 OFM) |
| Enumclaw Plateau CCD Area | 63,367 (2010 Census) |
| Major Industries | |
| Agriculture-Dairy, Thoroughbred Farms, Tourism and Industrial | |
| Major Employers | |
| City of Enumclaw | Crystal Mountain Ski Area |
| Department of Natural Resources | Enumclaw Medical Center |
| St. Elizabeth Regional Hospital | Parker (Helac) Corporation |
| Enumclaw School District | Hill Aero Systems |
| Mutual of Enumclaw Insurance | Ford, GM & Dodge Dealerships |

Current program

The current Enumclaw golf market demand is significant for six out of twelve months per year. The single most significant limitation on the golf programs has been rain and poor weather conditions. The winter months are very wet and parts of the course are often unplayable during the worst months.

Based on usage patterns and market demand, it appears that there is additional capacity for golf play through marketing and program development through golf



lessons. There also appears to be revenue generation opportunities within the clubhouse for food, beverage, and catering expansion. Enhancing the food and beverage options as well as developing a consistent customer service standard could attract new customers. Expanding restaurant hours and creating special events could result in expanded revenues.

Packaging golf, meals, and beverage options to attract new golfers and retaining existing use is essential. Expanding the customer base by offering value and quality are keys to the financial success of the operator. Central to this strategy is an effective marketing plan that allocates a consistent budget for advertising. Developing an effective brand identity should be linked with the City's marketing plans. The Enumclaw Golf Course has the potential to be a desirable destination for regional golfers and non-golfers.



Requirements for Proposals

Please submit responses to:
City Of Enumclaw
1339 Griffin Avenue
Enumclaw, WA 98022
Attention: City Administrator
Email: csearcy@ci.enumclaw.wa.us

Please submit three (3) hard copies or one electronic PDF copy by 4:00 PM, June 10, 2019.

- A. The following items must be included in all responses:
1. Cover letter.
 2. Completed proposal form with Proposed Business Plan.
 3. Resumes for the individual(s) proposed to manage the golf course, and if possible, those who will be responsible for course maintenance.
 4. A representative list of completed contracts or business operations in Washington State within the last fifteen (15) years with examples of work performed. The list is to be limited to not more than five of the most significant contracts or businesses comparable to the requested services of this RFP. For each of the contracts, include the name, title, and phone number of a responsible, local reference associated or familiar with the project.

Selection Schedule

The anticipated selection schedule is as follows:

| | |
|---------------------------------|------------------|
| Issue RFP | May 10, 2019 |
| Proposals Due | June 10, 2019 |
| Notify Finalists | June 17, 2019 |
| Interviews | June 18-28, 2019 |
| Final Selection | July 1, 2019 |
| Lease Negotiation | July 2-15, 2019 |
| Council Committee Review | July 15, 2019 |
| Approval by City Council | July 22, 2019 |
| Anticipated Contract Start Date | January 1, 2020 |

Selection Criteria

Proposals will be evaluated and chosen based on criteria and calculated weight factors noted in the table below.

| Factor | Score (1 – 5) | Weight Given | Weight Factor | Total Score |
|--|------------------|-----------------|------------------|----------------|
| Experience: Demonstrable experience in providing the services described in the scope of work and extensive knowledge of golf course maintenance. | | 30% | x 4 | |
| Financial Proposal: Proposed lease, commission, or combination thereof. | | 20% | x 2 | |
| Capital Improvement Plan: Identify critical capital improvement projects that will lead to increased rounds of play and enhanced customer experience. | | 20% | x 3 | |
| References: Value of references. | | 20% | x 2 | |
| Compliance: Compliance with RFP process and of information submitted RFP. | | 10% | x 1 | |
| TOTAL | | 100% | | |

Terms and Conditions

- A. The City reserves the right to reject any and all proposals, as well as to waive minor irregularities in any proposal.
- B. The City reserves the right to request clarification of information submitted and request additional information.
- C. The City reserves the right to award the contract to the next most qualified operator.
- D. The contract resulting from acceptance of a proposal by the City shall be in a form supplied by the City, and shall reflect the specifications in this RFP. The City reserves the right to reject any proposal that does not conform to the specifications outlined in this RFP, which is not approved by the City Attorney.

- E. The City shall not be responsible for any costs incurred by the applicant in preparing, submitting, or presenting its proposal to the City.

Revenues

- A. The City desires to assign all management and operation responsibilities to the successful operator. In consideration, the City desires to allow the operator to profit from the proceeds derived from the golf course operations. The operator must compensate the City through a lease agreement, in an amount to be agreed upon by both parties.
- B. The operator shall have the ability to set rates and assign fees for goods and services that achieve the mutual goals of the City and the operator.
- C. The City and operator shall agree to a capital improvement program annually to enhance the performance and attraction of the golf course enterprise. The funding for such capital improvements should ideally be generated from the golf course and restaurant revenues.

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Enumclaw Golf Course Operations

Company Name _____

Address _____

Representative Name(s) _____

Phone _____

e-mail _____

Instructions:

Please complete the following sections fully in the form provided. Use additional pages as necessary. Each section is designed to develop a comprehensive understanding of the financial, operational, and programmatic goals for your proposal.

Section I

Proposal Summary:

Please describe in detail your proposal for the operation of the Enumclaw Golf Course. Include your proposed business plan in a standard format for the golf course.

Section II

Financial

The City's preferred compensation will be in the form of a fixed annual lease of the golf course to the operator. Other compensation models may be considered including a percentage of gross proceeds, or combinations thereof.

Lease:

Alternative #1:

Proposed annual lease amount: _____.

This is the annual lease amount you propose per year. The monthly payment amounts may be staggered to reflect seasonal revenue cycles.

Alternative #2:

Proposed annual lease percentage of gross golf course sales (green fees, daily & annual): _____ x estimated revenue = _____.

Proposed annual lease percentage of gross food & alcohol sales: _____ x estimated revenue = _____.

Concessions (if applicable):

Rentals % _____

Gross pro shop sales % _____

Section III

Please describe your plan for marketing and developing new golf participation.

Describe your plans to expand the use of the golf course.

Describe your customer service model and standard.

Describe the investments necessary to fulfill your proposed business plan for the Enumclaw Golf Course.

Section IV

Provide five professional references that can address your ability to effectively manage the Enumclaw Golf Course as proposed.

APPENDIX A

Existing Golf Course Maintenance Equipment List

| Year | Make & Model | Hours as of October 2018 |
|------|---|--------------------------|
| 2010 | Toro Greensmaster 3150 3WD #1 gas | 3,819 |
| 2010 | Toro Greensmaster 3150 3WD #2 gas | 2,345 |
| 2010 | Toro extra set sand/rock 11 blade cutting units (3) | N/A |
| 2010 | Toro thatching reel kit (dynablade) vertical mowing units (3) | N/A |
| 2010 | Toro Workman MD #1 gas | 1,458 |
| 2010 | Toro Workman MD #2 gas | 1,205 |
| 2007 | Toro Workman 3300 liquid cooled diesel 2wd | 974 |
| 2010 | Toro Workman GDX-D diesel | 595 |
| 2010 | Toro ProCore 648 gas | 364 |
| 2010 | Toro Pro Force Blower gas | 895 |
| 2010 | Toro Groundsmaster 3500-D diesel | 2,767 |
| 2010 | Core Harvester attachment | N/A |
| 2010 | Toro Reelmaster 5410 4 WD diesel | 2,523 |
| 2010 | Dakota Workman Mount 410 TD and Stand | N/A |
| 2010 | Dakota 414 Topdresser | N/A |
| 2010 | SDI 225 Gal Workman Sprayer | N/A |
| 2010 | Toro Greens Iron 3000 gas | 701 |
| N/A | Angle Master 2000 bed knife grinder | N/A |
| N/A | Express Dual 1000 reel grinder | N/A |
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