

DATE ISSUED: April 29, 2004

REPORT NO. 04-093

ATTENTION: Land Use and Housing Committee
Agenda of May 5, 2004

SUBJECT: Authorization for Contract Negotiations with Leo Pierson to renew his
agreement to operate the Morley Field Disc Golf Course

SUMMARY

Issue - Should the City Manager enter into negotiations with Leo Pierson to renew his agreement to operate the Morley Field Disc Golf Course?

Manager=s Recommendation - Authorize contract negotiations with Leo Pierson.

Other Recommendations - None.

Fiscal Impact - None with this action. The current annual rental income is approximately \$60,000 and is deposited into General Fund 100. Any new agreement will reflect current market rates.

BACKGROUND

Leo Pierson has operated the Morley Field Disc Golf Course since 1979 and helped to construct the 15-acre course for the City in 1978. He is a world-ranked professional disc golfer, and his present 10-year concession agreement with the City will expire on April 30, 2004.

Mr. Pierson requests that the City Manager enter into exclusive negotiations for a new concession or lease agreement with a term of five years with one five-year option. Council Policy 700-41 provides that the issue of renewal be presented to the LU&H Committee with the City Manager's recommendation.

DISCUSSION

In lieu of a Request for Proposals, the City Manager recommends negotiations with Leo Pierson for the following reasons:

- Mr. Pierson has an excellent record with the City for paying the correct amount of percentage rent on time.
- Mr. Pierson has steadily increased business at the disc golf course with a corresponding increase in percentage rent paid the City, from \$10,000 in annual rent in 1994 to \$60,000 in 2003.
- The course has been well maintained under the present agreement, and Mr. Pierson will commit to a development plan to improve the course on a regular basis.
- Under the present agreement, Mr. Pierson and the City shared the responsibility of maintaining the course. Mr. Pierson has agreed under the new agreement to assume nearly all of the maintenance burden, which will result in substantial costs savings to the City.

If negotiations with Leo Pierson are authorized, the new agreement will reflect the City's updated terms and conditions and will be presented to the City Council for its consideration. The Park & Recreation Department recommends that a new agreement be negotiated with Mr. Pierson.

ALTERNATIVES

Issue a Request for Proposals. This is not recommended for the reasons noted in the report.

Respectfully submitted,

William T. Griffith
Real Estate Assets Director

Approved: Bruce A. Herring
Deputy City Manager

GRIFFITH/PTC

Note: The attachment is not available in electronic format. A copy is available for review in the Office of the City Clerk.

Attachment: Site Map