



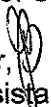
County of Yolo

PLANNING AND PUBLIC WORKS DEPARTMENT

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TO: SUPERVISOR MIKE McGOWAN, Chair,
and Members of the Board of Supervisors

FROM: JOHN BENCOMO, Director, 
G. Harold Duffey, Chief Assistant Director 
Regina Espinoza, County Service Area Manager 
Planning and Public Works Department

DATE: February 24, 2009

SUBJECT: As the Wild Wings County Service Area Governing Board, receive and file the following update on Request For Proposal (RFP) for management of Wild Wings Golf Course.

RECOMMENDED ACTION

Receive and file an update on Request For Proposal (RFP) for management of Wild Wings Golf Course.

STRATEGIC PLAN GOALS

This action is consistent with the goal of ensuring a financially sustainable county government by ensuring that activities related to the acquisition, operation, management, and improvement of the golf course are fully funded by the special tax.

FISCAL IMPACT

Based on the proforma KemperSports submitted in response to the RFP, the projected fiscal impact to the homeowners at Wild Wings could result in lower Special Tax rates of a minimum of \$417 per household in the first full fiscal year (\$417 less than the \$1,700 maximum), if Measure O (Special Tax) passes on March 10, 2009 (Attachment A).

REASON FOR RECOMMENDED ACTIONS

To provide the governing board a progress report on the directives given by the Board on October 21, 2008.

BACKGROUND

CSA staff has completed the following:

- A. Prop 218 election for fees for increased water and sewer costs and basic maintenance of the golf course property as needed to insure proper dispersal of treated water; the Prop 218 fee will only go into effect if Measure O does not pass. If the new fees are put into effect, residential water and sewer fees will increase by up to \$999 per year.

- B. Scheduled election for residents to vote on a Special Tax (Measure O) for acquisition, operation, and management of the golf course property and related capital improvements; Measure O adds a maximum of \$1,700 to the fees, assessments, and taxes currently paid by Wild Wings residents.
- C. Completed negotiation with Wild Wings LLC for CSA acquisition of the golf course, pending the passage of Measure O.
- D. The Wild Wings CSA Advisory Committee established an RFP subcommittee and released an RFP for the maintenance and operations of the Wild Wings Golf Course on December 17, 2009, and received two responsive bidders. The subcommittee interviewed and selected KemperSports (currently manages 26 public golf courses), to manage the Wild Wings Golf Course (subject to Governing Board approval).

On September 4, 2008, Wild Wings LLC informed Yolo County staff that after several unsuccessful attempts to sell the Wild Wings Golf Course, it would close the Golf Course, effective September 15, 2008. The date was extended to December 4, 2008, after the CSA Governing Board agreed to allow residents to vote on a Special Tax to acquire the Course. The CSA Governing Board agreed to put forward the Special Tax based on the recommendation of the Wild Wings Advisory Committee, with support from the Wild Wings Home Owners Association (HOA), along with a group of homeowners calling themselves "Save the Wild Wings Golf Course" (SWWG) – (Attachment B).

The CSA Advisory Committee's October 7, 2008 meeting is one of many public meetings residents of Wild Wings have had, to express their opinion on the acquisition of the golf course (Attachment C). Most recently, County Counsel staff, LAFCO, CSA staff, and KemperSports were invited to a meeting hosted by SWWG to discuss Measure O. During the meeting, KemperSports proforma was distributed (Attachment D), and they fielded questions regarding their proposal to manage the golf course. Residents asked the following questions of KemperSports:

- A. Ability to manage a course with tough soil?
- B. Was their projections to break even in year #3 too optimistic?
- C. Residents want discounts for course and amenities?
- D. What is their history on non golf course activities for residents of Wild Wings?
- E. Community outreach?
- F. Responsibility and training employees that serve alcohol?
- G. Access to course for non golfers?
- H. How they planned to increase food and beverage offerings?
- I. Protection against annual losses if KemperSports projects fall short?
- J. Does Measure O require the property to be a golf course forever?

KemperSports Regional Manager fielded the questions, and CSA staff are seeking to address some of these concerns and issues in the management agreement that is currently under negotiation. At the meeting, the RFP committee also presented information comparing the potential cost of Measure O (based on the Projections of KemperSports) to the recent Prop 218 fee increases approved December 16, 2008 (Attachment E).

Staff expect to return on March 10, 2009, with a negotiated management agreement with KemperSports for the management of the Wild Wings Golf Course in the event it is acquired by the Wild Wings County Service Area (CSA). This report is an update for the Governing Board on staff's progress on the directive given by the Board at its October 21, 2008 meeting, whereas the Governing Board approved staff's recommendation to:

Direct CSA staff to work with the Wild Wings Advisory Board and Wild Wings CSA rate payers to:

- A. develop a Request for Proposal (RFP)/Request for Qualifications (RFQ) for the operations and maintenance of the Wild Wings Golf Course on behalf of the CSA;
- B. review the existing capacity of the water and sewer system, and investigate the feasibility of allowing additional customers to hookup to the water and sewer system to lower the overall cost to the system users (recommended by the Advisory Committee on September 15, 2008); and,
- C. return to the Wild Wings CSA Governing Board with results and recommendations no later than December 16, 2008.

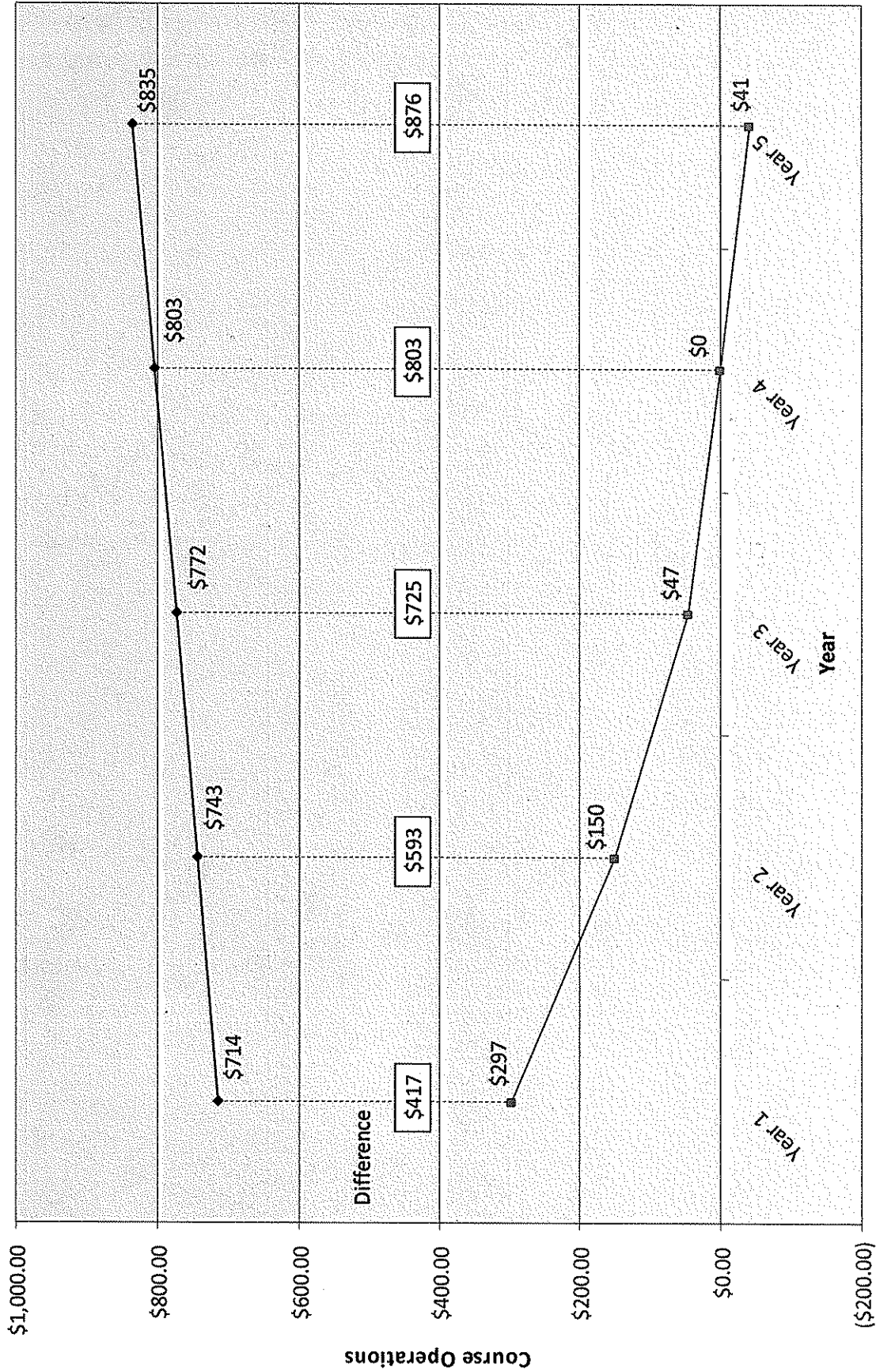
OTHER AGENCY INVOLVEMENT

County Counsel
Local Agency Formation Commission Staff

ATTACHMENTS

- A. Special Tax Funds Needed for Wild Wings Golf Course Operations
- B. Letter from "The Save Wild Wings Golf Course Coalition", dated September 26, 2008
- C. Wild Wings Public Meetings (2008/2009)
- D. KemperSports proforma
- E. Prop 218 vs. Measure O Fees

Special Tax Funds Needed for Wild Wings Golf Course Operations



—◆— Special Tax - Golf Course Operations —■— KemperSports Projections

Note: Annual Amount Needed Per Household

THE SAVE WILD WINGS GOLF COURSE COALITION

September 26, 2008

Wild Wings LLC
Ronald Zraick, Jr.
1122 Willow Street,
Suite 200
San Jose, Ca
95125

Re: Wild Wings Golf Course

Dear Mr. Zraick,

The Wild Wings HOA, the Save Wild Wings Group (SWWG), the County and the Community Service Area (CSA) have met on several occasions this week in order to seek consensus on a proposed plan of action regarding ownership and ongoing operation of the Wild Wings Golf Course.

In your prior correspondence to the HOA and the County, you offered either of them ownership of the course together with all associated amenities and equipment for a \$1 fee.

It has only recently been acknowledged that, after serious formal discussion with and amongst both parties, neither the County nor the HOA is prepared to accept this offer. However, after further investigation and discussion we have concluded that our Community Service Area should be the new owner. Of course, this offer will be subject to approval by both the CSA and the Board of Supervisors. We are prepared to move forward to that end based upon the following:

1. The SWWG, will petition and make substantive recommendations to the CSA at their next noticed meeting opportunity, in the week of September 29, 2008, to develop an acquisition and implementation plan, immediately. This will be subject to the legal process and timeframe requirements Proposition 218, but we can assure you that all due haste will be made to achieve these goals within the shortest time reasonably possible. This could likely be accomplished within eight to twelve weeks.

2. The terms and conditions of such an acquisition would be as follows:

A. The purchase price will be \$1.

B. The purchase price will include all equipment and improvements.

C. The title to the property at the close of escrow shall be free of all liens, delinquent taxes, assessments and fees and subject to only those title exceptions agreeable to buyer.

D. Non-delinquent taxes and fees due but not yet paid shall be prorated as of the close of escrow.

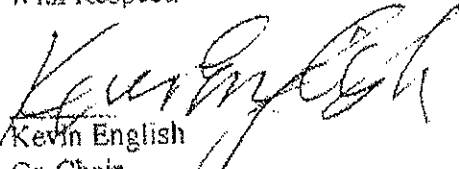
E. Within 5 days from opening escrow, the Owner shall provide the Buyer a due diligence package, including but not limited to all maps, surveys, reports, contracts, inventory lists, and maintenance records.

F. Due to public health and safety concerns and in the spirit of a collaborative solution, the Owner shall maintain the current course condition through the escrow period.

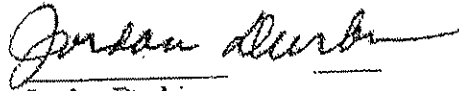
G. The Close of Escrow shall occur the earlier of 5 business days after the expiration of the Proposition 218 appeal period or January 15, 2009. In the event the Buyer is working with diligence and in good faith and the close of escrow needs to be delayed due to circumstances beyond its control, the Seller shall grant the buyer a one time 60-day extension.

Our commitment to you making this acquisition a reality is strong and clear. We have been working with all the stakeholders and our consensus is to move forward on an aggressive timetable allowable given some procedural constraints and concurrence with governing authorities. Yolo County Supervisor Duane Chamberlain will be giving an update to the Yolo County Board of Supervisors at the next meeting on Tuesday, September 30, 2008, and we hope it would include a positive response to this letter. We trust you will promptly and diligently contemplate our offer and provide us with an expeditious response and opportunity to achieve a mutually beneficial resolution.

With Respect,


Kevin English
Co-Chair
Save Wild Wings Group


Lance Kolesar
Co-Chair
Save Wild Wings Group



Jordan Durbin
President
Wild Wings HIOA

In consultation with

Duane Chamberlain, 5th District Yolo County Board of Supervisors
Wes Ervin, Manager of Economic Development, County of Yolo
Harold Duffey, Chief Assistant Director-Planning, Resources & Public Works D, County
Department, County of Yolo
The Wild Wings HIOA Board of Directors
The Save Wild Wings Committee

Wild Wings Public Meetings
(2008/2009)

Date and Time	Subject and Location
Mon., 9/15/08, 6 pm	Wild Wings CSA Adv. Comm. Meeting (Cache Creek Conference Room)
Thurs., 9/25/08, 10 am	Wild Wings Planning Meeting (Room 202, 625 Court Street, Woodland) - (Organizer: Wes Ervin)
Thurs., 9/25/08, 4 pm	Wild Wings Meeting (CAO's Office) – (Organizer: Wes Ervin)
Tues., 10/7/08, 7 pm	Wild Wings CSA Adv. Comm. Meeting (Cache Creek Conference Room)
Tues., 10/21/08	BOS Meeting (see attached)
Wed., 11/5/08, 6 pm	Wild Wings CSA Adv. Comm. Meeting (Cache Creek Conference Room)
Wed., 11/19/08, 6 pm	Wild Wings CSA Adv. Comm. Meeting (Cache Creek Conference Room)
Tues., 12/9/08	BOS Meeting (see attached)
Wed., 12/10/08, 7 pm	Wild Wings Homeowner Meeting (Wild Wings - Fliers Club)
Wed., 12/16/08	BOS Meeting (2 items) – (see attached) Proposition 218
Wed., 12/17/08, 6 pm	Wild Wings CSA Adv. Comm. Meeting – RFP Discussion (Cache Creek Conference Room)
Tues., 1/13/09	BOS Meeting – Special Election (see attached)
Tues., 1/27/09	BOS Meeting – Special Election (see attached)

BOS Meetings re: Wild Wings

<u>Date</u>	<u>Subject</u>
October 21, 2008	As the Wild Wings County Service Area Governing Board, take the following actions: Consider the recommendations of the CSA Advisory Committee regarding the following: (a) a proposed special assessment for increased water and sewer costs and basic maintenance of the golf course property, (b) a proposed special tax for operation and management of the golf course property and related capital improvements, (c) negotiation with Wild Wings LLC for CSA acquisition of the golf course (Harold Duffey)
December 9, 2008	Public hearing to consider a special election regarding a proposed special tax on all residential parcels within the Wild Wings County Service Area for golf course operations, maintenance, capital improvements, and related matters (No general fund impact) – (Daniel C. Cederborg, Assistant County Counsel; Philip J. Pogledich, Senior Deputy County Counsel)
December 16, 2008	Approve the Minutes of: Wild Wings County Service Area Governing Board of October 21, 2008 (Clerk of the Board)
December 16, 2008	Hold a public hearing to consider written protests and proposed increases to water and sewer fees, and adopt the resolution of intent to impose increased water and sewer fees for the Wild Wings County Service Area at a later date, if necessary (No general fund impact) - (Harold Duffey)
January 13, 2009	Resolution changing the Wild Wings County Service Area Special Election Date from March 9, 2009 to March 10, 2009, and Making Minor Edits to the Text of the special Tax Measure (No general fund impact) – (Daniel C. Cederborg, Assistant County Counsel; Philip J. Pogledich, Senior Deputy County Counsel)
January 27, 2009	Consider approval of agreement providing for the donation of the Wild Wings Course to the Wild Wings County Service Area, subject to prior approval of a Special Tax and Other Contingencies (No general fund impact) – (Daniel Cederborg, Assistant County Counsel/Philip J. Pogledich, Senior Deputy County Counsel)

**KemperSports Management
Wild Wings Golf Club**

Facility Revenues - Expenses 5 Year Projection

	2008 Estimated	2009 Mar - Dec Projections	2010 Projections	2011 Projections	2012 Projections	2013 Projections	Total 5 Yrs
Revenues							
Greens Fees	-	357,473	409,108	434,023	447,044	460,455	2,108,104
Cart Fees	-	115,029	129,088	130,378	131,682	132,999	639,176
Range	-	-	50,000	51,500	53,045	54,636	209,181
Pro Shop	-	35,393	40,506	41,721	45,059	46,410	209,089
Membership/NCGA	-	23,130	28,270	31,097	34,207	37,627	154,331
Food & Beverage	-	40,702	202,529	219,035	225,606	227,862	915,734
Total Revenues	\$ 550,241	\$ 571,728	\$ 859,501	\$ 907,755	\$ 936,642	\$ 959,990	\$ 4,235,616
Expenses							
Cost of Goods Sold	-	30,351	85,062	90,743	94,717	96,205	\$ 397,078
Payroll	-	287,407	410,235	414,337	418,481	422,666	1,953,126
Repair & Maintenance	-	19,408	21,780	21,997	22,217	22,440	107,842
Supplies	-	81,000	99,000	99,990	100,990	102,000	482,980
Utilities	-	53,828	64,594	65,240	65,892	66,551	316,105
Other Expenses	-	81,000	97,200	100,116	103,119	106,213	487,649
Total Expenses	\$ 851,168	\$ 552,993	\$ 777,870	\$ 792,424	\$ 805,417	\$ 816,074	\$ 3,744,778
EBITDA	\$ (300,927)	\$ 18,734	\$ 81,630	\$ 115,331	\$ 131,226	\$ 143,917	\$ 490,838
Management Fee	-	75,000	75,000	75,000	75,000	75,000	375,000
Incentive Fee	-	-	-	-	-	-	-
Possessory Tax	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-
Net Income/(Loss)	\$ (300,927)	\$ (56,266)	\$ 6,630	\$ 40,331	\$ 56,226	\$ 68,917	\$ 115,838
Rounds	-	35,393	40,506	41,721	42,973	43,402	203,995
GF/Carts per Round	-	13.35	13.29	13.53	13.47	13.67	13.47
Total Rev per Round	-	15.50	19.29	21.01	21.00	21.25	20.01

2009 includes operations from March - December. Facility is currently closed with no income.

The information contained in this pro forma is based on assumptions and future events and does not take into account, nor make provision for, any rise or decline in local or general economic conditions and other circumstances that may have significant adverse effects on actual results. These projections have been prepared based on current information available. Kemper Sports cannot, and does not, warrant or guarantee the information contained in this pro forma to be a projection of actual results of the operation of this facility.

KemperSports Management (modified by County Staff) (GHD)

Wild Wings Golf Club

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EBITDA	\$ (300,927)	\$ 18,734	\$ 81,630	\$ 115,331	\$ 131,226	\$ 143,917	\$ 490,838
Management Fee	-	75,000	75,000	75,000	75,000	75,000	375,000
Incentive Fee	-	50,000	50,000	26,000	26,000	25,000	177,000
Equipment Replacement	-	-	30,000	30,000	30,000	30,000	90,000
CSA fees	-	-	-	-	-	-	-
Net Income/(Loss)	\$ (300,927)	\$ (106,266)	\$ (43,370)	\$ (15,669)	\$ 226	\$ 13,917	\$ (151,162)
Rounds	-	35,393	40,506	41,721	42,973	43,402	203,995
GF/Carts per Round	-	13.35	13.29	13.53	13.47	13.67	13.47
Total Rev per Round	-	15.50	19.29	21.01	21.00	21.25	20.01

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County staff added equipment replacement fund and csa fee reimbursement to proforma on 2/3/09

2/11/2009

Wild Wings Homeowner CSA Assessment
Current Assessment Plus Additions with new Golf Course Operator

	Special Tax					
	WW Golf Course Operational Under Lease/or New Ownership					
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6 - beyond
Existing Annual Assessment (+3%/yr)	\$ 1,438	\$ 1,481	\$ 1,526	\$ 1,571	\$ 1,618	\$ 1,667
Proposed Changes:						
WW LLC back taxes 07/08 - and 3/4 year for 08/09 paid over 5-year period (\$402,980)	\$ 177	\$ 177	\$ 177	\$ 177	\$ 177	\$ -
Health & Safety Maintenance Plan provided by CSA (mowing and maintenance of water system)						
Homeowners assume all CSA fees, profits from course shall be used to reimburse Homeowners for csa fees	\$ 535	\$ 535	\$ 535	\$ 446	\$ 446	\$ 446
Homeowners payment for capital improvements of WW Golf Course	\$ 200	\$ 200	\$ 200	\$ 200	\$ 200	\$ 50
Initial operating and start-up support (\$75,000/Management fee).	\$ 297	\$ 150	\$ 47	\$ -	\$ (41)	\$ (41)
Increase In Annual Assessment Profits after (-annual \$25 -50,000 Equip. program)	\$ 1,209	\$ 1,062	\$ 959	\$ 823	\$ 782	\$ 455
Total New Annual Assessment	\$ 2,647	\$ 2,543	\$ 2,485	\$ 2,394	\$ 2,400	\$ 2,122
Sewer Health and Safety Fee without golf course	\$ 2,437	\$ 2,510	\$ 2,555	\$ 2,600	\$ 2,647	\$ 2,696
Special Tax Passage Impact	\$ 210	\$ 33	\$ (70)	\$ (206)	\$ (247)	\$ (574)

Assumes 50,000 equipment replacement annually

Does not include payment of back taxes, which equate to \$814 per household, due before June 2009.

Wild Wings Homeowner CSA Assessment

