



Addendum 1

File # 19-26AA

Enger Park and Lester Park Golf Courses Request for Information

This addendum serves to notify all bidders of the following changes to the solicitation documents:

1. The deadline for proposals will be extended to one week after the posting date of additional financial information once that is available. Please see the response to question 4e.
2. Please answer the following question in your proposal: What three things could the City do to increase your interest in a long-term agreement at Enger Park with a significant associated capital investment?
3. The following are the responses to questions raised during the pre-proposal conference call held on November 12, 2019.
 - a. What qualifies as a long term agreement at Enger? What qualifies as a short term management services agreement at Lester? Would you consider a long term agreement at Lester?

The term of an Enger agreement and the size of an associated capital investment are each subject to negotiation. The City prefers a longer term agreement (at least 10 years) with a larger associated capital investment. However, in the event that interest in a long term Enger agreement with capital investment do not materialize, the City will consider all proposals for Enger including a management services agreement without an associated capital investment.

The term of a Lester agreement is also subject to negotiation. The City prefers a shorter term (three- to five-year) management services agreement with an option to terminate should continued operation of Lester prove not to be financially viable.

- b. What does the City have in mind for capital investments? Are there any other immediate items besides the men's restroom needing insulation? Are there dollar figures in mind?
The City wishes to make three priority improvements to Enger Park Golf

Course:

- *Replacement of the clubhouse with a low-cost modular building (if solely City-funded) or a multi-use, year-round building with high quality indoor golf experience (if residential developer, golf management firm, and/or community also contribute).*
- *Replace current 120-acre irrigation system that covers all rough and portions of adjoining forest with 40-to-50-acre system focused on tees, fairways, and greens.*
- *Repair the worst fairways, bunkers, and cart paths.*

Depending on the vision for the clubhouse, the total estimated cost for these improvements ranges from \$3.7 million to upward of \$5 million.

The City wishes to finance capital improvements at Enger via some combination of Lester land sale proceeds, Enger land sale proceeds, Enger residential developer contributions to clubhouse/community center building integrated with surrounding residential area, golf management firm investments associated with a long term agreement, the proceeds of a potential community fundraising campaign, and a limited amount of revenue bonding.

c. *What size clubhouse does the City imagine?*

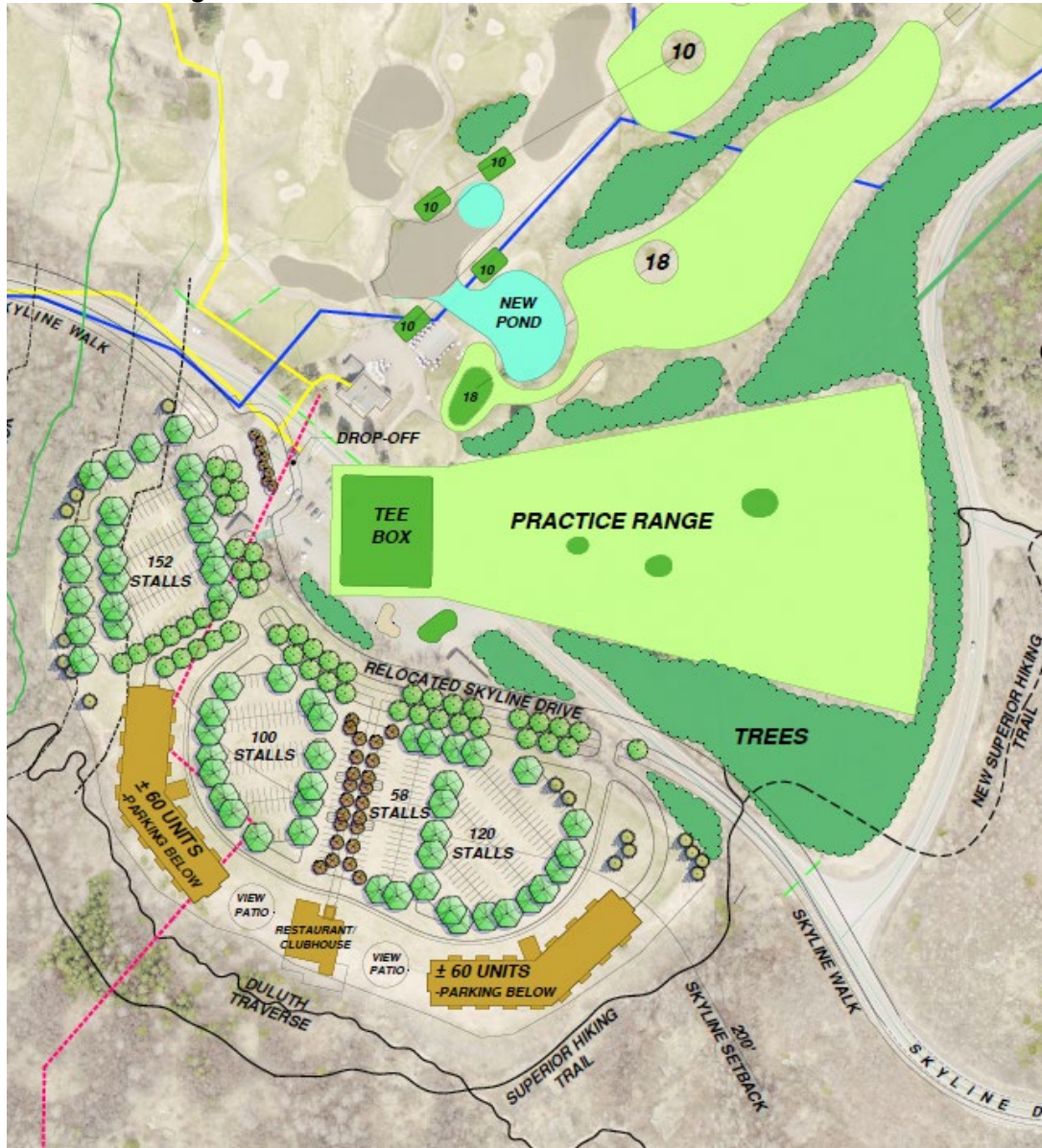
The current clubhouse has a footprint of 2686 square feet with pro shop, front desk, offices, and grill on the main floor and a restroom/locker room in the basement. The size and functions of the clubhouse depend on project financing, whether and how the City's eventual residential development partner may wish to incorporate and invest in the clubhouse as an integral part of their project, and the vision of the City's eventual golf management partner.

On the more modest end of the spectrum, the facility could be a three-season manufactured facility with basic grill, pro shop, and restrooms that might be demolished after 25 years of service. On the other end of the spectrum, it could be a year-round facility with food and beverage service, a sports bar atmosphere, a high quality indoor golf experience, and some cross-functionality as a multi-purpose community center for the adjoining residential development.

d. *Will the new clubhouse be placed where the current clubhouse sits?*

The new clubhouse could be placed virtually anywhere in a 12-acre area encompassing the current driving range and clubhouse areas. The City has preliminarily envisioned locating the clubhouse at the southern edge of the property atop a 500-foot-tall bluff overlooking Lake Superior and the

St. Louis River Harbor. The conceptual drawing below shows one way that might look.



- e. Is there an opportunity to view any financials of the two properties, even if it is just a consolidated view of each property?

Yes, supplemental financial information will be provided in a future addendum. In order to give ample time for potential respondents to review the financial data, the closing date for RFI submissions will be extended to one week beyond the posting date of the financial information.

- f. In regards to Lester, it was mentioned that the City is going to reduce from

27 to 18 holes. When will this be starting?

The City intends to reduce from 27 to 18 holes at Lester beginning with the upcoming 2020 season. The nine holes to be closed are known as the Lake Nine.

- g. Is there a lease option, or just a management option for Lester?

The City would consider a long-term agreement with associated capital investment at Enger and Lester. The City would likely not consider a long-term agreement for Lester combined with a short-term agreement at Enger.

- h. In regards to submitting proposals, is the City looking for one hard copy in addition to one emailed copy?

Either a hard copy or an emailed (or other digital) copy will suffice.

Please acknowledge receipt of this Addendum by submitting a copy with your proposal.

Posted: **November 20, 2019**