

One-reading Ordinance approving Amendment No. 2 to the Lease Agreement with Foresight Corpus Christi Golf, L.L.C (“Foresight”) regarding the Oso Golf Course and the Lozano Golf Course to allow Foresight to collect, maintain and use a capital improvement surcharge to fund the Capital Fund for golf course capital projects; require monthly reporting regarding the Capital Fund; require Foresight to annually identify capital projects for the golf courses to be funded with the Capital Fund subject to City Manager approval; and provide for occasional City use of golf courses

Whereas, on October 26, 2010, the City of Corpus Christi (herein referred to as “the City”) and Foresight Corpus Christi Golf, L.L.C., a Texas Limited Liability Company and wholly owned subsidiary of Foresight Golf L.L.C., a Texas Limited Liability Company (herein referred to as “Operator”) entered into a Lease Agreement; (herein referred to as the “Lease”) regarding the Oso Golf Course and the Lozano Golf Course properties;

Whereas, the Lease was amended by Amendment No. 1 on April 30, 2013;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF CORPUS CHRISTI, TEXAS:

Section 1. The City Manager or designee is authorized to execute the Amendment No. 2 to the Lease Agreement with Foresight Corpus Christi Golf, L.L.C. (“Foresight”) regarding the Oso Golf Course and the Lozano Golf Course to allow Foresight to collect, maintain and use a capital improvement surcharge to fund the Capital Fund for golf course capital projects; require monthly reporting regarding the Capital Fund; require Foresight to annually identify capital projects for the golf courses to be funded with the Capital Fund subject to City Manager approval; and also provide for occasional City use of golf courses, as provided in said Amendment No. 2 in substantial form as attached. A copy of the final executed Amendment No. 2 will be filed with the City Secretary.

Section 2. That upon written request of the Mayor or five Council members, copy attached, the City Council (1) finds and declares an emergency due to the need for immediate action necessary for the efficient and effective administration of City affairs and (2) suspends the Charter rule that requires consideration of and voting upon ordinances at two regular meetings so that this ordinance is passed and takes effect upon first reading as an emergency measure on this the _____ day of _____, 2020.

ATTEST:

CITY OF CORPUS CHRISTI

Rebecca Huerta
City Secretary

Joe McComb
Mayor

_____ day of _____, 2020

TO THE MEMBERS OF THE CITY COUNCIL
Corpus Christi, Texas

For the reasons set forth in the emergency clause of the foregoing ordinance, an emergency exists requiring suspension of the Charter rule as to consideration and voting upon ordinances at two regular meetings: I/we, therefore, request that you suspend said Charter rule and pass this ordinance finally on the date it is introduced or at the present meeting of the City Council.

Respectfully,

Respectfully,

Joe McComb
Mayor

Council Members

The above ordinance was passed by the following vote:

Joe McComb	_____
Roland Barrera	_____
Rudy Garza	_____
Paulette M. Guajardo	_____
Gil Hernandez	_____
Michael Hunter	_____
Ben Molina	_____
Everett Roy	_____
Greg Smith	_____

AMENDMENT NO. 2 TO THE LEASE AGREEMENT WITH FORESIGHT CORPUS CHRISTI GOLF, L.L.C.

Whereas, on October 26, 2010, the City of Corpus Christi (herein referred to as “the City”) and Foresight Corpus Christi Golf, L.L.C., a Texas Limited Liability Company and wholly owned subsidiary of Foresight Golf L.L.C., a Texas Limited Liability Company (herein referred to as “Operator”) entered into a Lease Agreement; (herein referred to as the “Lease”) regarding the Oso Golf Course and the Lozano Golf Course properties;

Whereas, the Lease was amended by Amendment No. 1 on April 30, 2013;

Whereas, Section 6.5 of the Lease allows the City representative to audit Operator’s books of account with respect to its management and operations of the Golf Courses;

Whereas, the City may add such audit to the City Auditor Annual Work Plan;

Whereas, the Lease authorized a per round capital improvement surcharge to be used for the creation of a Capital Fund for the golf courses;

Whereas, the parties agree to amend the Lease regarding collection and use of the capital improvement surcharges and allow for occasional City use of the golf courses;

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Section 6.3.5 of the Lease regarding collection and use of the capital improvement surcharge is amended to read as follows:

6.3.5 In addition to the green fees, Operator shall collect ~~on behalf of the City and remit to the City on a monthly basis the one dollar and fifty cents (\$1.50)~~ a per round capital improvement surcharge ~~imposed on the Golf Courses~~ creating the capital improvement sinking fund for the Golf Courses (the "Capital Fund") as further described in Exhibit C of Section 8 of this Lease. ~~The green fees listed on Exhibit C under subheading A (Weekday Green Fees) and B (Weekend/Holiday Green Fees) include the dollar amount of the per round capital improvement surcharge in the amount of the stated fee. Operator may adjust the per round capital improvement surcharge subject to approval of the City Manager.~~

2. Section 6.6 of the Lease regarding Financial Reports and Budget is amended to read as follows:

6.6 Financial Reports and Budget. Operator shall collect appropriate data and prepare the following financial reports of operations of the Golf Courses to be submitted to City Contract Administrator (the "Financial Reports"): (i) monthly Sales Reports; (ii) monthly Tee Sheets with itemized play record; (iii) monthly Deposit Summary, Reconciliation and Cash Drawer Reports; (iv) monthly

Concession Reports; (v) monthly Play Reports; (vi) monthly calculations of the Operations Reserve Fund; (vii) monthly collections and expenditures of the Capital Fund; (viii) annual audited Balance Sheet, Statement of Profit and Loss and Changes in Financial Condition for the operations of the Golf Courses prepared in accordance with GAAP; and (viii) all calculations of rent paid. Operator shall also provide to City such other financial reports as are reasonably available as requested by the Contract Administrator. ~~Prior to the Possession Date, Operator shall develop a proposed operating budget for the operations of the Golf Course to be included as part of Exhibit B. Set forth on as part of Exhibit B shall be Operator's initial proposed operating budget for the Golf Courses.~~

3. New section 6.22 is added to the Lease regarding City use of Golf Courses.

6.22 City use of Golf Courses. City shall be provided occasional complimentary use at the Golf Courses including golf carts for official City business to be coordinated in advance with Operator with the approval of the City Manager.

4. Section 8.2 of the Lease regarding Capital Improvements is amended to read as follows:

8.2 Capital Improvements. ~~Prior to the Possession Date, the parties shall develop an Exhibit to be substituted herein as Exhibit D. Set forth on Exhibit D shall be Operator's initial proposed capital improvement projects for the Golf Courses, including a description and budget for each such project. The City Operator has and will continue to segregate and hold the Capital Fund in a separate account and make such Capital Fund available to only fund capital improvement projects at the Golf Courses including those described on Exhibit D and future identified projects upon such terms and conditions as the Operator and City Manager shall mutually agree. To the extent Operator identifies other capital improvement projects during the term of this lease that could benefit the operations of the Golf Courses, Operator may notify the Contract Administrator of any such project and provide a description and budget for such project. No later than the next Annual Review, Operator and the City Manager shall review such proposed capital project, the related expenditures required to complete the project and the capital expenditure responsibility, if any, of each party. To the extent mutually agreed by the parties and in accordance with such agreement, the City will fund capital improvement projects out of the Capital Fund, and Operator may proceed with such capital improvement projects. At least annually, and other time(s) of the year as deemed appropriate by the Operator, the Operator will present to the City Manager or his designee the recommended capital improvements to be implemented with the capital improvement surcharge.~~

5. All other terms and conditions of the Lease as amended remain in effect. This agreement takes effect on date of last signature.

AGREED TO BY:

Foresight Corpus Christi Golf, L.L.C.

By: _____

Daniel A. Pedrotti, Jr.

President

Date: _____

STATE OF TEXAS

COUNTY OF NUECES

This instrument was acknowledged before me on _____ by Daniel A. Pedrotti, Jr. as the President of Foresight Corpus Christi Golf, L.L.C. on behalf of said company.

_____ Notary Public

CITY OF CORPUS CHRISTI

By: _____

Peter Zanoni, City Manager

Date: _____

STATE OF TEXAS

COUNTY OF NUECES

This instrument was acknowledged before me on _____ by Peter Zanoni as the City Manager for the City of Corpus Christi, Texas a Texas municipality on behalf of said municipality.

_____ Notary Public

Approved as to form:

By: _____

Lisa Aguilar, Assistant City Attorney