

1. Annual Fixed Fee of Services: The fixed fee of services paid to the Contractor by the City will be \$250,000.00 year.
2. Capital Improvement Subsidy: The City's capital improvement subsidy (in addition to the annual fixed fee of services), paid to the Contractor for the capital improvement and facility upgrades, will be:
 - Year 1 (2023): \$500,000
 - Year 2 (2024): \$400,000
 - Year 3 (2025): \$300,000
 - Year 4 (2026): \$200,000
 - Year 5 (2027): \$100,000
3. Revenue Reinvestment: Revenues earned by the Contractor shall be applied to expenses, including annual fixed fee of service. Additional revenues shall be reinvested into the facility upgrades of HPGC and to maintain accessible golf to City of Cleveland residents.
4. Transition Support: The City will support one (1) City of Cleveland employee to help the Contractor manage the transition through October, 2023.
5. Termination: The City, through its Director of Public Works, maintains the right to terminate this agreement with the Contractor under the following conditions:
 - a. If revenue does not exceed \$2,000,000.00 after year 5 or any year thereafter OR
 - b. If the rounds of golf do not exceed 40,000 per year after year 5 or any year thereafter OR
 - c. If the Contractor does not invest an average (over a period of 5 years) of \$250,000 per year in course and/or clubhouse capital improvements in the first 5 years (minimum of \$1.25M over 5 years) and an average (over a period of 5 years) of \$250,000 per year after year 5 and beyond, adjusted each year for inflation OR
 - d. If the Contractor does not submit an audited annual financial report to the City OR
 - e. If the Contractor is not making a good-faith effort in meeting requirements outlined in item 16 (Other Requirements).

((City Law department to more legalistic termination rights – for example, if the Contractor breaches legal agreements of third parties, if there is fraud or other activity with the Contractor etc))

At any point in time during the term of the contract, the City has the right to terminate the contract should the vendor not be working toward or meeting goals.

The City will provide a 60-day written notice of intent to terminate and will allow the Contractor to cure within 30 days.

6. Use: Operate/Manage 36-hole municipal golf course known as HPGC.

7. Build-out by Contractor:

The Contractor will invest an average (over a period of 5 years) of \$250,000 per year in capital improvements in the first 5 years and an average (over a period of 5 years) of \$250,000.00 per year after year 5 and beyond, adjusted each year for inflation.

Within the first 5 years:

Development/Renovation of Blue Course Capital Improvements, included but not limited to:

- a. New tee options, improvements to tee boxes, 7,300-yard tournament-ready course for advanced players
 - b. Renovation of Red Course to provide friendly golf experience for novice and advanced players, included but not limited to:
 - c. Improvements to tee boxes, improvements to fundamental structure of fairway conditions (leveling undulations, strengthening turf, assessing and modifying drainage), new cart paths
 - d. Convert an underutilized area (such as the northeast corner of the property) to sustainable greenspace with new learning complex, new chipping and putting areas
 - e. New driving range
 - f. Redesign/renovate Clubhouse restaurant, pro-shop, and banquet facility: exterior, interior and landscaping
 - g. Provide the City of Cleveland with the scope and timeline for other proposed capital improvements for years 5-15
8. Subcontractor Troon's Operation/Maintenance responsibilities: employees, course-level financials, procurement, marketing and promotion, food and beverage, and the maintenance team, including the following areas of maintenance:
- a. Building Operations, including property maintenance, telephone, meter maintenance, fire alarm maintenance, emergency equipment maintenance, storm water taxes and charges, plumbing/electrical/HVAC/roof maintenance, cleaning and rubbish removal, supplies, permit and license fees, pest control, janitorial, elevator maintenance, elevator maintenance, window cleaning, general maintenance, and management. Also includes access and security systems of utilities, real estate taxes, snow removal and insurance; and
 - b. Building Maintenance, including structural elements of the building (such as roof, exterior/loadbearing walls (including exterior windows), foundation, structural floor slabs and support columns) and the Building Systems (all building systems and equipment, HVAC, plumbing, electrical and mechanical systems).
 - c. Catastrophic damage not covered by insurance shall be reimbursed by the City to the Contractor.

9. Future development opportunities shall be mutually reviewed and considered by both parties.

10. Other Requirements:

- a. Make a good-faith effort to meet or exceed City's OEO goals for capital projects and sub-contract with CSBs/MBEs/FBEs when possible (for clubhouse restaurant, pro shop, etc.). The Contractor is obligated to make a good-faith effort on construction performed with the following goals: 15% Minority Business Enterprises (MBE) Participation, 7% Female Business Enterprises (FBE) Participation, and 8% Cleveland-Area Small Business Participation (CSB).
- b. In concert with the City, conduct a dedication ceremony of the revitalized course to pay homage to its history as a predominantly minority course
- c. Partner with local historical organizations to collect and elevate full history of course and dedicate a portion of the clubhouse or grounds to share the history and significance of the course
- d. Hire a PGA professional
- e. Provide a discount for greens fees, lessons, and driving range fees for City of Cleveland and Village of Highland Hills residents
- f. Promote, monitor, and ensure residents of the City of Cleveland have access to course and facilities
- g. Provide free and priority access to all CMSD school golf teams as home course for practice and matches
- h. Offer free or discounted golf clinics for City of Cleveland youth
- i. Actively recruit minority-focused tournaments (collegiate, amateur, and pro, such as HBCU and APGA tournaments)
- j. Become Audubon certified within 5 years