



CITY COUNCIL STAFF REPORT

DATE: June 16, 2010

CONSENT CALENDAR

SUBJECT: EXTENSION OF THE MANAGEMENT AGREEMENT WITH CGPM MANAGERS, LLC AND THE CITY OF PALM SPRINGS FOR THE MANAGEMENT AND OPERATION OF THE CITY-OWNED LEGENDS AND RESORT GOLF COURSES FOR TWO YEARS, BEGINNING JULY 1, 2010 THROUGH JUNE 30, 2012

FROM: David H. Ready, Esq., Ph.D., City Manager

BY: Thomas J. Wilson, Assistant City Manager

SUMMARY

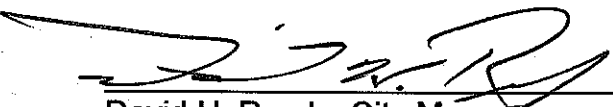
On October 22, 2008, the City Council approved an Agreement with CGPM Managers, LLC, for the management and operation of the city-owned Legends and Resort Golf Courses. The Agreement set to expire on December 31, 2009, was extended on a month-to-month basis on December 22, 2009, with all provisions of the Agreement remaining full force and effect. To date, CGPM Managers, LLC has successfully managed and operated the golf courses, fulfilling all of the terms of the agreement.

RECOMMENDATION:

1. Staff recommends that the City Council extend the Agreement for two (2) years beginning July 1, 2010 at the same fee of \$225,000 per year and with no changes in any other terms of the Agreement.

FISCAL IMPACT:


No new fiscal impact. The management fee remains \$225,000 per year.



David H. Ready, City Manager



Douglas C. Holland, City Attorney



Thomas J. Wilson, Assistant City Manager

AMENDMENT NO. 1 TO
MANAGEMENT AGREEMENT

THIS AMENDMENT NO. 1 TO MANAGEMENT AGREEMENT ("Amendment") is made and entered into this ____ day of _____, 2010 by and between the City of Palm Springs, a California charter city ("City") and CGPM Managers, LLC ("Manager").

RECITALS

A. City and Manager entered into a Management Agreement for the purpose of managing the Legends and Resort Golf Courses on October 29, 2008.

B. The initial term of the Management Agreement provided that Management Agreement would expire on December 31, 2009. The Management Agreement was extended on a month to month basis and is currently in effect as of the date of this Amendment.

C. It is the desire of the Parties that the Management Agreement be extended until June 30, 2012.

AGREEMENT

1. The foregoing Recitals are true and correct.
2. Section 2.3 of the Management Agreement is amended to read, in its entirety, as follows:

2.3 Term.

The term of this Agreement shall begin on October 28, 2008 and shall expire at the close of business on June 30, 2012 and shall automatically renew on a monthly basis thereafter unless or until either the City or the Manager provides the other Party with at least thirty (30) days written notice of its intent to not renew the Agreement. Notwithstanding the foregoing or any other provision of this Agreement, either the City or Manager shall have the right to terminate this Agreement early without cause upon 90 days written notice delivered to the other party.

3. Except as expressly provided above, all other terms and conditions of the original Management Agreement shall remain unchanged and in full force and effect.

**City of Palm Springs
"City"**

Date: _____

By: _____
David Ready, City Manager

APPROVED AS TO FORM:

ATTEST:

By: _____
City Attorney

By: _____
City Clerk

**CGPM Managers, LLC
"Manager"**

Date: _____

By: _____

Name: _____

Title: _____