

**TOWN COUNCIL  
WORKSHOP MEETING  
JANUARY 5, 2011**

**1. CALL TO ORDER**

The meeting was called to order at 5:35 p.m. and was followed by the Pledge of Allegiance.

**2. ROLL CALL**

Present at the meeting were Mayor Paul, Vice-Mayor Starkey and Councilmembers Caletka, Hattan and Luis. Also present were Town Administrator Shimun, Mr. Rayson, and Assistant Town Clerk Roig recording the meeting.

**3. ARROWHEAD GOLF COURSE**

Program Manager Phil Holste gave a PowerPoint presentation about the golf course describing the site plan and gave a brief history of the Town's bid to buy the property. He stated the due diligence period was scheduled to end on January 7<sup>th</sup> and he hoped Council would request an extension.

Mr. Holste said they had identified four issues during the due diligence process:

- The wetlands
- Arsenic contamination
- Erosion
- Clubhouse renovation

Mr. Holste stated a variance request would be sent to the Central Broward Water Control District (SBWCD) on January 12<sup>th</sup> regarding a reduction of the wetlands. He said the arsenic contamination case had been closed with the conditions that the property remain a golf course and there would be no groundwater use. The erosion issue had been addressed by Florida Department of Transportation (FDOT). Mr. Holste said they did not yet have a project estimate for renovating the clubhouse; the budget amendment for this had not yet been approved.

Mr. Holste said there were three options:

- The Town would run the golf course in-house
- The Town would hire a management company to run the golf course
- The Town would Land Bank the site for future open space use

Mr. Holste said if the Town operated the golf course, they would spend approximately \$250,000 - \$300,000 the first year, but the Town would make up to \$25,000 the first year and up to \$100,000 to \$150,000 the second year if economic conditions improved.

Mr. Holste said they had contacted a management company, who would pay the Town a fixed amount during the initial term of the contract in return for renovating the existing clubhouse.

Mr. Holste stated if they banked the land, they did not know the cost to remediate the property and future testing would be needed.

Mr. Holste advised Council that if a due diligence extension could not be obtained from FDOT, the agreement should be cancelled since the outstanding issues would be unresolved and the Town would bear the responsibility. If the contract were terminated within the due diligence period, they would request a refund of their \$500,000 deposit.

Mr. Holste explained that the Interlocal Agreement with FDOT was still pending. Staff had sent a letter highlighting their final good faith offer to continue. Council needed to advise staff if they wanted to continue discussions with the management group, and the budget would need to be amended to reflect whatever direction Council gave staff.

Parks and Recreation Director Dennis Andresky explained the cost projections to Councilmember Caletka, and why these had changed since the last projections. They had decreased because the golf course would open later and they would therefore miss some prime months' revenue. Mr. Andresky said the revenue depended on the economy. The losses for the first year included costs for a trailer and upgrading the two existing restrooms. Councilmember Caletka wanted to know what

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the maintenance fees would be if the land was left as open space. Assistant Public Works Manager Daniel J. Oyler stated bush hog maintenance would be approximately \$10 per acre and would be done every three months. Maintaining the landscaping as it was would cost approximately \$60,000 to \$70,000 per year.

Councilmember Caletka wanted to know how long it would take to remediate the arsenic using natural methods. Mr. Andresky said this would require additional analysis.

Councilmember Caletka agreed they should ask for an extension to the due diligence period since Council would not vote to complete purchase of the property until February. He wanted the wetlands issue to be settled with the SBWCD before confirming the sale.

Mr. Holste said the current contractor was just mowing the property. Bill Taylor, FDOT, said they would continue to pay for maintenance until January 31<sup>st</sup>. He agreed to grant an extension on the due diligence date until Council voted to finalize the sale in February.

Mr. Holste informed Councilmember Luis that Arrowhead Golf Course Group was an LLC formed to bid on the golf course and included Mitch Osceola, Steve MacDonald and Ray Jason. This was the contractor interested in running the golf course. Councilmember Hattan asked the specifics of the agreement, and Mr. Holste said over a seven year period, they would pay the Town \$2,000 the first year and escalate to \$128,000 in the seventh year. Mr. Shimun said it would be a public course and a 10% discount would be given to Davie residents.

Mr. Holste said the management company intended to run all operations, including the clubhouse. Mr. Shimun said the Town would benefit from the upgrades the management company would perform plus their payments over the first seven years of the contract.

Councilmember Caletka pointed out that the Town did not have to recoup their investment, they needed to decide if they wanted to do this for the residents, but they must consider if it was too expensive. Councilmember Caletka felt the Town should consider maintaining the property in order to keep all of the revenue and control.

Vice-Mayor Starkey had visited the golf course on several occasions and described it as pristine. She said if the Town maintained the property which she supported, they could partner with other entities for events. She wanted to consider setting up an enterprise fund for the golf course. Budget and Finance Director Bill Ackerman said the enterprise fund would be established as soon as Council approved the budget amendment.

Councilmember Luis stated there was a risk he did not like in this plan. He did not feel the possible reward warranted the risk. He would feel safer if a management company ran the golf course than if the Town ran it.

Mayor Paul was concerned that the clubhouse renovations would be too expensive and it would require rebuilding. She said she had spoken to some individuals who indicated it would cost \$2 to \$3 million to make the golf course competitive. Mayor Paul stated staff had an independent analysis done that indicated they would lose \$100,000 to \$300,000 per year. She said she must consider this plan in relation to the Town as a whole, not just for those residents who might like to use the golf course. Mayor Paul wanted to further investigate the costs to use property for open space.

Mayor Paul asked about trash that was accumulating at the property. Mr. Taylor said he was unaware of this but he would take care of it.

Mayor Paul said the Town's Urban Forester had stated seven problem points with the property. She was concerned the Town would have to make the landscaping remediation as well. Mr. Holste stated the dead trees were under warranty and would be replaced by the contractor. The other landscaping issues were considered "as is" in the purchase. Mr. Taylor was unaware of these issues, but confirmed they were working with the Town to do whatever it wanted regarding the trees. Brent Taylor, FDOT, confirmed they were working with staff regarding the dead trees.

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Councilmember Caletka referred to renovations needed at the clubhouse, and said he thought they would be as expensive as building a new one. He asked staff for an estimate to build a new clubhouse. Mr. Oyler said staff would prepare a cost estimate before Council's next meeting.

Mike Crowley, District Manager of the CBWCD, said there were three variances pending for the property but he only considered the wetlands reduction variance an issue. He confirmed that FDOT and the CBWCD had easements covering the entire property.

Councilmember Hattan said her brother had informed her that the pro shop at his municipal golf course made over \$1 million per year.

Mayor Paul announced a public hearing on the golf course would be held on February 2<sup>nd</sup>, 2011 at Council's regular meeting.

**4. ADJOURNMENT**

There being no further business to discuss and no objections, the meeting was adjourned at 6:37 p.m.

Approved \_\_\_\_\_

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Mayor/Councilmember

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Town Clerk