



DEPARTMENT OF METRO PARKS AND RECREATION
LOUISVILLE, KENTUCKY

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Quail Chase Golf Course

- Built by a private developer on a 37 year lease starting in October 1987.
- Set to expire in 2024 but with the passing of the original owner/builder/lessee the current holder of the lease wishes to cancel the lease early.
- We have been negotiating for many years and have had fruitful discussions the last year or so with concrete discussion points and a sale agreement was worked out between Metro Government and Quail Chase Golf Course.
- The agreement calls for the sale at \$850,000 inclusive of all assets including structures, furniture, fixtures, and equipment. The payment to the current lease holder over the next six years is at \$100,000 annually. He in turn will pay us back the remaining \$250,000 of the sale agreement as \$25,000 annually toward a youth golf program for the next ten years.
- We released an RFP in the summer of 2017 and received four acceptable bids as qualified by Metro Purchasing.
- We then cut the list down to three eligible and responsible bidders, based on a panel scoring the bid documents on pre-set criteria. We interviewed the three and again scored their presentations on pre-set criteria.
- The scores showed a company out of Virginia was the most responsible bidder and negotiations began in September. We continue to negotiate and work through a myriad of questions, issues, and concerns on both sides, and are very close to a final agreeable document.
- As items relate to our current set-up, we do the daily maintenance on the courses and the structures. The negotiations call for the vendor to provide not only the operations and management, but also the maintenance needs for Quail Chase.
- This is a great opportunity to realize and try a different business model that includes guaranteed minimums and a share of the net revenues.
- Golf did make money in the heyday of its popularity during Tiger Woods' rise. In the last ten years play has fallen by close to 15-17% annually around the country. In Louisville that fall has been slightly lower with at least five private courses closing its doors in the area.
- A full contract as is being negotiated allows us to offer a way out of this yearly grind of losses in golf that amount to anywhere between \$225,000 to \$400,000 annually. We have the lowest playing prices of like cities operating golf courses.



A NATIONALLY ACCREDITED PARKS AND RECREATION AGENCY

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