

**METRO REGIONAL PARKS AND GREENSPACES
ADVISORY COMMITTEE (RPAGAC)
MEETING NOTICE**

Date: Tuesday, June 2, 1998
Time: 6:00 - 8:00PM
Place: Metro Regional Center, 600 NE Grand Ave, Portland
Room 270

AGENDA

- I. Introduction of new committee member Sylvia Milne (District #2) and confirmation of Brian Scott (District #6) for another term (5 minutes)
- II. Introductory comments and announcements (5 minutes)
- III. Capital development projects completed and projects planned for FY 98/99 (Dan Kromer) (10 minutes)
- IV. Glendoveer Golf Course operations contract extension. Review committee report and recommendations (Charles Ciecko) (25 minutes)
RPAGAC comments and RPAGAC action
- V. Implementing the Regional Framework Plan (Chapter 3)- work plan to establish a regional system of parks, natural areas, trails and greenways (Jennifer Budhabhatti) (45 minutes)
RPAGAC comment and recommendations

• LIA
• GREENSCENE
• AD
• GBH WEEK

Glisan Street Recreation, Inc (GSR) currently operates and maintains Glendoveer Golf Course. GSR has proposed a 10-year extension to their contract that will expire in 2002. A review committee was formed to assess the proposal and report their findings to the Regional Parks and Greenspaces Advisory Committee. Charles Ciecko will present the findings and recommendations of the review committee and request comments and action from the RPAGAC.

Jennifer Budhabhatti will discuss Metro staffs' approach to implementing the Regional Framework Plan (Chapter 3) by developing a regional master plan to establish a system of parks, natural areas, trails and greenways for fish, wildlife and people. What is expected to take about three years to complete, the planning process will include extensive public involvement, inventory of natural areas and parks, identification of the regional system, identification of funding sources, and identification of roles and responsibilities among local park providers.

Next RPAGAC meeting will be on July 7, 1998, Metro Regional Center, Room 270.

SYLVIA LOU MILNE
1864 SE Anspach Street Milwaukie, Oregon 97267 653-1394

QUALIFICATION HIGHLIGHTS

- Rich Environmental Knowledge and Experiences/Resourceful.
- Ability to evaluate information from a regional perspective, to respect diversity, to work as a team member, to envision innovative programs and to know personal limits.
- Motivated by Visions and Challenges.

PROFESSIONAL BACKGROUND

Jan 98 - July 98	Milwaukie Presbyterian Church Interim Part-time Coordinator of Christian Education
1996 - July 98	Milwaukie Together! Interim Part-time Community Involvement Coordinator
1987 - 1993	Clackamas County Educational Service District Educational Assistant Severely Emotionally Disturbed Population

Education

1994 - 1997	Graduated from Marylhurst with a Bachelors of Arts degree in Social Science with a concentration in Psychology. Special areas of interest At Risk Youth, Environmental Quality, Cultural Anthropology, Family Dynamics, Jungian Psychology, Women's Studies, and World Religions.
1996	Family Stories Internship (Social work) Group Facilitation Fran Eichenauer, MSW
1996	Milwaukie Together! Internship Alcohol, Tobacco and Other Drug Prevention Anthony Dean, ATOD Prevention Coordinator NCSD
1997	Independent Study in Political Science: Community Politics Dr. Robert W. Ridel, Marylhurst College Oregon Senator Verne Duncan

FY 97-98 O & M Capital Projects Completed

1. Curry Maintenance Building Office Renovation - Project completed April 1998. Approximate cost \$30,000; budgeted \$40,000. Balance remaining used to fund project # 10.
2. Blue Lake Regional Park sewage lift pumps (2) removal and repairs. Project completed February 1998. Cost \$14,650; budgeted \$22,000. Balance remaining used to fund project # 3.
3. Blue Lake Regional Park new well installation, well pump repair, pump house addition and check valve replacement. Projected completed by June 1998. Unanticipated capital project. Estimated cost \$31,000; cost to date \$26,719. Project paid with funds left over from #'s 2, 6, and 9.

FY 97-98 O & M Capital Projects Carried Over Into FY 98-99

4. Sauvie Island Boat Ramp upgrade - Currently deciding on what permit review to do with Multnomah County. RFB by August 1998(?) and project completion is targeted for September 1998 - July 1999. Estimated cost \$132,440; budgeted \$132,440.
5. M. James Gleason Boat Ramp design and engineering. Should go out for RFP by July 1998. Budgeted amount \$165,000.
6. Electronic (IMS) hook-up between Metro Regional Center and Oxbow, Blue Lake and Curry offices. Project completed by July 1998. Estimated cost \$20,000; budgeted \$35,000. Balance remaining used to fund project # 3.
7. Oxbow east and west side fire road repairs. RFB by June 1998. Scope of work and bid document is done. Projected completed by September 1998. Estimated cost \$57,306; budgeted \$57,306.
8. Oxbow stream bank restoration project. RFB by June 1998. All required permit approvals received, design completed. Projected completed by August 1998. Estimated cost \$12,938; budgeted \$12,938.
9. Wash rack replacement at Blue Lake. Working with REM on project. Design is just about completed. Scope of Work and bids by June 1998. Project completed by August 1998. Estimated cost \$15,000; budgeted \$25,000. Balance remaining used to fund project # 3.
10. Bybee House exterior and interior painting project and interior ceiling leak repair. Scope of Work and bids by June 1998. Project completed by July 1998. Estimated cost \$16,000; budgeted \$10,000. Project paid with funds left over from # 1.

FY 98-99 O & M Capital Projects

1. Chinook Landing river bank erosion repairs. Scope of Work and bids by September 1998. Project completed by November 1998. Budgeted amount \$20,000
2. Blue Lake Regional Park residence roof replacement. Scope of Work and bids by September 1998. Project completed by October 1998. Budgeted amount \$18,000
3. Blue Lake Regional Park electrical upgrades. Scope of Work and bids by February 1999. Project completed by June 1999. Budgeted amount \$20,000.
4. Blue Lake Regional Park asphalt pathways repair. Scope of Work and bids by March 1999. Project completed by June 1999. Budgeted amount \$25,000.

CAPITAL OUTLAY

FY 97-98

571300 Buildings and Related **\$ 45,254**

Sewer Lift Pump Repair/Replacement	\$ 22,000
Bybee Howell House Repairs	\$ 10,000
Rest Room Partitions	\$ 6,204
Fee Booth Purchase	\$ 5,450
Pumphouse Check Valve Replacement	\$ 1,600

571400 Equipment & Vehicles **\$ 42,249**

Picnic Table Replacement	\$ 6,213
Lake House Table Replacement	\$ 5,036
Cyclone Fencing	\$ 6,000
Wash Rack Replacement	\$25,000

571500 Purchase-Office Furniture and Equipment **\$ 35,000**

Electronic IMS Hook-up	\$35,000
------------------------	----------

574500 Construction Work/Materials-Buildings **\$ 42,500**

Curry Building Upgrade	\$40,000
Rest Room Electrical Upgrade	\$ 2,500

TOTAL CAPITAL OUTLAY **\$ 165,003**

CAPITAL OUTLAY-NON CIP**FY 98-99**

5710 Improve - Other than Buildings \$ 97,046

Chinook Landing river bank erosion repairs	\$20,000
Oxbow Regional Park fire road repair	\$25,806
Blue Lake asphalt pathways repair	\$25,065
Blue Lake electrical upgrades	\$20,000
Blue Lake picnic table replacement	\$ 6,175

5720 Buildings & Related \$32,432

Blue Lake residence roof replacement	\$18,000
Recycled plastic partitions replacement for Blue Lake's west rest room	\$ 4,600
New windows at Lake House	\$ 7,536
Screen doors purchase for Lake House and park office	\$ 2,296

5740 Equipment & Vehicles \$39,240

Chinook Landing irrigation pump replacement	\$ 3,500
Land Banking 4x4 truck purchase	\$19,000
Blue Lake sewer lift pump replacement	\$12,000
Blue Lake barbecue replacement	\$ 2,990
Metal scaffolding	\$ 1,050
New range for Lake House	\$ 700

5750 Office Furniture & Equipment \$ 2,460

New computer purchase for Land Banking	\$ 1,700
Land Banking share of new computer purchase for Volunteer Coordinator	\$ 760

TOTAL CAPITAL OUTLAY \$ 171,178

REPORT OF
THE GLENDOVEER CONTRACT
EXTENSION REVIEW COMMITTEE

May 15, 1998

REPORT OF
THE GLENDOVEER CONTRACT
EXTENSION REVIEW COMMITTEE

May 15, 1998



**Henton
& Company, P.C.**
CERTIFIED PUBLIC ACCOUNTANTS

2121 S.W. Broadway • Suite 350 • Portland, Oregon 97201 • (503)227-6441 • Fax (503)227-7099

May 15, 1998

Charles Ciecko
Director, Regional Parks & Greenspaces
600 Northeast Grand Avenue
Portland, Oregon 97232

Dear Charles:

Glisan Street Recreation Inc. (GSR) currently has two contracts to operate and maintain Glendoveer Golf Course and other recreational facilities. The current contracts expire on December 31, 2002. Under the Management Agreement, GSR remits 44% of greens fees collected and under the Lease agreement pays \$12,000 in annual rents for the facilities. GSR has proposed a ten-year extension to both agreements in exchange for an additional \$1,000,000 in capital improvements over a four-year period. In addition, \$115,000 will be donated for the exclusive benefit of Blue Lake Park.

Henton & Company, P.C. has been engaged to facilitate a review and evaluation of information relative to GSR's proposal. A committee consisting of three members selected by GSR, three members selected by the Regional Parks and Greenspaces Department and one member selected by the presiding officer was appointed to make recommendations to the Regional Parks and Greenspaces Advisory Committee. Committee members are as follows:

Bob Akers
Spike Beebers
Rick Charriere
John Griffiths

Richard Ham
Jeff Stone
Mike Wentworth

The following issues have been considered in formulating a recommendation:

- Does GSR have the financial strength to honor the financial commitment?
- Are the contracts financially fair to GSR investors?
- Are the contracts financially fair to Metro?
- How does the contract compare to other "privatized" golf courses?
- What are the benefits of renewing the contract now?
- If the proposal is accepted, what process should be in place to determine the capital improvements?
- How should the Metro excise tax be handled?

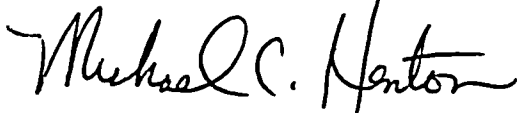
After gathering information and meeting several times, the "Committee to Review the Lease and Management Contract" has the following recommendations relating to the contract extension proposal from Glisan Street Recreation, Inc:

- Accept the proposal to extend the Lease and Management agreements to December 31, 2012 (ten-year extension).
- Glisan Street Recreation, Inc. will make \$1,000,000 in capital improvements over a four-year period beginning upon extension of the contract.
- Glisan Street Recreation, Inc. will provide an additional \$115,000 within one year to be used for the benefit of Blue Lake Park.
- Charles Ciecko and Joe Hickey will negotiate the nature and timing of the capital improvements.
- Continue the current policy of allocating a portion of the greens fees and annual rents as the excise tax remitted to Metro. No additional excise tax should be levied.

Detailed information and financial schedules are provided for analytical purposes. We would be pleased to discuss this report and any of the supporting documentation with you or your staff. On behalf of the committee, we would like to thank you for the courtesies and assistance extended to us during this process.

Very truly yours,

HENTON & COMPANY, P.C.

A handwritten signature in black ink, reading "Michael C. Henton". The signature is fluid and cursive, with the first name "Michael" and last name "Henton" clearly legible. The middle initial "C." is smaller and positioned between the first and last names.

Michael C. Henton, CPA

**DETAILED INFORMATION
AND
FINANCIAL SCHEDULES**

GLISAN STREET RECREATION CONTRACT EXTENSION

I. QUANTITATIVE CONSIDERATIONS.

It is essential to consider the financial impact of extending the contacts to both Glisan Street Recreation, Inc. (GSR) and Metro.

A. Financial Condition of GSR.

- 1. Does GSR have the financial strength to continue to operate Glendoveer Golf Course?**

GSR has demonstrated strong financial position maintaining both liquidity and solvency. Compared to the industry as a whole, the Company is financially sound. (See Historical Financial Information and Industry Statistics).

- 2. Does GSR have the ability to make \$1,000,000 in capital improvements over a four-year period?**

GSR has excellent cash flow and most likely could finance the improvements through operating activity. Because of their sound financial position, GSR would have no problems in acquiring debt financing.

B. Are the Contracts Financially Fair?

- 1. Rate of return to GSR investors.**

Considering the risk factors and other investment issues, GSR investors should expect a reasonable rate of return. A common method of evaluating return is based upon a financial model that discounts future cash flows. This technique is predicated upon the concept that a dollar today is worth more than a dollar received in one year. Considering cash flow projections, GSR shareholders could expect a return on their investment of 20% to 27%. This does not include the additional \$115,000 "sweetener" offered as part of the contract extension. This expenditure would reduce that return.

- 2. What can Metro expect?**

Metro could expect to receive approximately \$800,000 to \$1,200,000 annually over the life of the contract. Because the contract is based on revenue sharing, Metro should never be in a "loss" position but will share in any increased revenues.

C. How Has Privatization Affected Other Publicly Owned Golf Courses?

To ensure that the contract is not only fair but also competitive, similar publicly owned golf courses should be compared.

- 1. Overview of the industry.**

Privatization of public golf courses has become increasingly common. Many courses have become privatized solely on economical grounds--to preserve "shrinking" public funds. Some argue that competition generates the "best product." Based upon a survey of several courses, there does not appear to be a standard financial model. Contracts range from pure

revenue sharing (essentially the GSR model) to the concessionaire operating as a fiscal agent for the golf course by collecting greens fees. The concessionaire may operate such peripheral activities as a pro shop, food and beverage services and golf lessons. This is the basic model that the City of Portland has adopted. John Zoller, The City's Director of Golf indicated that "Basically, it's a break-even deal." In addition to funding the golf courses, greens fees pay for three youth-at-risk programs. Courses selected for comparison (all of which have relatively new contracts) include the City of Ventura, California, Ohio State Parks and Tri-Mountain Golf Course in Clark County Washington.

a) **CITY OF VENTURA.**

*Darrell Wagar
Golf Course Manager*

Two courses are under management. Both are managed by Evergreen Alliance Golf Limited (EAGL), a Texas based company.

Both courses are 18 holes and have year-round play. Average rounds played is approximately 85,000-90,000 per course. Greens fees are \$20.

Course #1-This course is managed and maintained entirely by EAGL. The contract is relatively new. Revenue sharing is the foundation of the contract. 30% of greens fees, cart rental and range fees are paid to the City. EAGL is completely responsible for the course maintenance. Capital improvements are made by the City. The earlier contract, which was 20 years old, shared only 10% of the greens fees.

Course #2-This course is managed by EAGL but maintained by the City. Revenue sharing is also the foundation of the contract. 100% of greens fees and 30% of cart rental are paid to the City. EAGL essentially operates pro shop, food concession and professional instruction center similar to the arrangement the City of Portland has with its operators.

Darrell Wagar has indicated he is in the process of setting up a "greens committee" composed of users and City representatives to continuously evaluate physical "course standards." The feeling is that this "grass roots" committee will be more effective and practical than having a professional evaluation of the course.

**b) TRI-MOUNTAIN GOLF COURSE-CLARK COUNTY,
WASHINGTON.**

John Payne

Deputy Treasurer, Clark County, Washington

This golf course was originally constructed by the Port of Richfield with the aid of revenue bonds. It is currently financed by general obligation debt. The contractor is GRI. The company also operates other courses including a public course in Sumner, Washington.

The contract is a combination of revenue sharing and a fixed fee. The first year of the contract called for a payment of \$440,000 to GRI (paid entirely in November). In subsequent years, the payment is indexed to inflation. Because the project is financed with bonds, the contract is short (three years with a two year optional extension). On a regular basis, 87 1/2% of greens fees, and 5% of everything other than merchandise and 3% of merchandise is shared. No capital improvements have been made or are required of GRI.

GRI is responsible for maintaining the course but Clark County will spend \$30,000 per year for three years for drainage improvement and additional resources will be provided for cart path improvement and converting sand bunkers to grass.

In 1997 and 1996, 102,000 and 82,000 "nines" were played.

c) OHIO STATE PARKS.

Lois Heinlen

Concessions Section Manager

Ohio State Parks operates three courses under contract management, and several courses are directly operated. All three courses are 18 holes but only one is a stand alone course. The other two are part of a combined resort/golf course management agreement.

Course #1-This is the stand alone course. It is essentially an operating agreement whereby the State provides all capital improvements and maintains the course. The contract was recently bid with a minimum remittance to the State of 90% of greens fees. The current contract calls for 97% remittance of greens fees, 26% power cart rental, 25% pull cart, clubs and bag rental and 10% of everything else.

Course #2-This course is jointly managed with lodge and cabin

facilities. The contract is also an operating agreement but with more favorable terms to the operator because of the lack of profitability of the other facilities. Capital improvements and maintenance is the responsibility of the State. For the first two years, 55% of greens fees, 10% of golf cart rental and essentially 5% of every thing else is remitted to the State. After two years the percentages increase on the greens fees to 75% and decrease on the other activities to about 5%.

Course #3-This course has been financed with public revenue bonds and is part of a resort opened in 1990. Like the other two, it is basically an operating agreement with all improvements and maintenance provided by the State. The agreement calls for 100% of the greens fees and 20% of the riding cart rentals to be remitted on a daily basis to the State. No other revenue generating activity is shared.

Ms. Heinlen indicated that they "self operate" and contract out. She indicated "If you get a good concessionaire, you have nothing to worry about."

D. What Would the Effect Be If Provisions from Two Recently Negotiated Contracts Were Applied to the Current GSR Contract?

The following schedule applied pertinent contract provisions of the Ventura and Clark County contract to GSR based upon the following 1996 activity:

<i>Greens fees</i>	<i>\$1,632,576</i>
<i>Cart rental</i>	<i>270,965</i>
<i>Club rental</i>	<i>12,912</i>
<i>Driving range</i>	<i>170,070</i>
<i>Tennis court</i>	<i>43,864</i>
<i>Ringside rent</i>	<i>101,976</i>
<i>Pro shop sales</i>	<i>287,222</i>

	<i>GSR</i>	<i>VENTURA</i>	<i>TRI-MOUNTAIN</i>
<i>Greens fees shared</i>	<i>\$718,333</i>	<i>\$489,773</i>	<i>\$1,428,504</i>
<i>Premise rental</i>	<i>12,000</i>		
<i>Carts, tennis, range</i>		<i>149,343</i>	<i>24,891</i>
<i>Merchandise</i>			<i>8,617</i>
<i>Ringside</i>		<i>30,593</i>	<i>5,099</i>
<i>Sub-total</i>	<i>730,333</i>	<i>669,709</i>	<i>1,467,111</i>
<i>less fixed fee</i>			<i>(880,000)</i>
<i>Amount Paid to Metro</i>	<i>730,333</i>	<i>669,709</i>	<i>587,111</i>

Note:

Since Tri-Mountain is an 18 hole course, the fixed fee has been doubled. There are undoubtedly economy's of scale the fixed portion could likely be reduced. In addition, a new clubhouse including a food and beverage facility has been constructed. 5% of the ringside rental has been included in the Tri-Mountain scenario as well as 5% of the tennis revenue.

The Ventura contract has no provision for revenue sharing for any tennis or restaurant activities. However most "significant" activities are shared at 30%. The Ringside and tennis facility are included at 30% and no provision for merchandise is included..

II. QUALITATIVE CONSIDERATIONS.

A. Current Management.

The current management group has operated the course for over 20 years and Joe Hickey is not only the General Manager but also a shareholder with a vested interest in the operation of the course.

B. The Course Operates at Near Capacity During "Golf Season."

C. The Men's Club Has Grown Substantially Over the Life of the Contract.

D. A Majority of Issues Identified in the Multnomah County Internal Audit Report of September 1987 Have Been Addressed.

This indicates good faith on the part of both Metro (Multnomah County) and GSR to resolve significant issues.

E. No Public Funds Would Be Required to Sustain the Improvement of the Golf Course.

F. Metro Receives Financial Benefits With Minimal Risk.

G. GSR Has Years of Experience In Operating the Course and Has Virtually No Turnover in Staff.

III. THE IMPROVEMENTS.

Charles Ciecko and Joe Hickey, using planning documents and other resources, will negotiate the timing and nature of the specific improvements.

IV. METRO EXCISE TAX.

Collecting an excise tax in addition to the contractual portion of the greens fees would put GSR at a distinct competitive disadvantage. With the increased number of golf courses in the area, pricing the "product" is particularly important. This point is made clearer considering the negative affect discriminative pricing had on the City of Portland Golf Courses from 1994-1996. Reducing the amount of greens fees retained by GSR would be unacceptable to the investors and they would withdraw the proposal.

A reasonable approach would allow GSR to remain competitive and retain the ability to earn a fair rate of return. The current policy of "re-characterizing" a portion of the 44% of greens fees and the annual rental as excise tax seems to be the most logical and fair option.

GLISAN STREET RECREATION, INC.
SCHEDULE OF ROUNDS (NINES) PLAYED

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1987	5454	7867	10603	16968	21190	28803	31142	30851	23314	18891	10426	3617	209126
1988	5193	12559	14960	17632	21007	26650	29534	32217	24603	18241	6382	7263	216241
1989	7994	5597	9969	19782	21581	24703	30081	27984	24594	15186	9197	7521	204189
1990	5914	6485	16672	20411	21665	26034	32034	31074	26144	13951	9272	3705	213361
1991	6102	12427	15849	16835	21012	27664	30755	32051	25706	16075	7153	6253	217882
1992	8273	12211	20886	18397	26839	27627	33070	30513	24847	15781	8655	4082	231181
1993	3403	5937	13638	14526	21815	24191	30447	31914	26215	18316	8787	5857	205046
1994	8505	7342	15553	19987	25280	27231	29948	32213	22907	16810	6401	6167	218344
1995	5546	10269	13884	19321	24306	23088	33206	28661	21770	14024	6691	3641	204407
1996	3994	6316	15359	17249	21603	28141	28125	29704	23998	14345	7845	3758	200437
1997	5947	10753	11856	17847	25579	29394	32069	31365	22309	13149	10140	7266	217674

Glisan Street Recreation, Inc
Historical Financial Information

	1996	1995	1994	1993	1992	average
Revenues						
Green fees	1,632,576	1,644,612	1,608,727	1,516,917	1,498,956	1,580,358
Premises	887,009	879,249	876,314	823,925	908,615	875,022
	<u>2,519,585</u>	<u>2,523,861</u>	<u>2,485,041</u>	<u>2,340,842</u>	<u>2,407,571</u>	<u>2,455,380</u>
Expenses						
Metro Share	718,333	723,629	707,840	667,443	659,541	695,357
Golf Course Maintenan	448,442	438,835	457,272	387,410	389,138	424,219
Premises Operating	674,569	690,653	693,786	625,350	744,152	685,702
G & A	164,540	139,049	107,852	98,333	113,308	124,616
Interest			318		1,803	1,061
Depreciation	139,837	144,112	140,841	126,105	114,617	133,102
Disallowed expenses	27,981	24,290	50,282	43,688	42,608	37,770
Rental	12,000	12,000	12,000	12,000	12,000	12,000
	<u>2,185,702</u>	<u>2,172,568</u>	<u>2,170,191</u>	<u>1,960,329</u>	<u>2,077,167</u>	<u>2,113,191</u>
Net Income	<u>333,883</u>	<u>351,293</u>	<u>314,850</u>	<u>380,513</u>	<u>330,404</u>	<u>342,189</u>
Distributions	<u>379,400</u>	<u>374,640</u>	<u>453,816</u>	<u>413,043</u>	<u>317,927</u>	<u>387,765</u>
Equity	<u>525,439</u>	<u>570,956</u>	<u>594,303</u>	<u>733,269</u>	<u>765,799</u>	<u>637,953</u>
PP & E	<u>311,246</u>	<u>421,615</u>	<u>490,515</u>	<u>537,592</u>	<u>564,188</u>	<u>465,031</u>
PP & E acquisitions	<u>29,468</u>	<u>75,212</u>	<u>93,764</u>	<u>99,509</u>	<u>114,617</u>	<u>82,514</u>
Cash	<u>115,188</u>	<u>87,658</u>	<u>58,766</u>	<u>106,326</u>	<u>139,012</u>	<u>101,390</u>
Inventory	<u>91,952</u>	<u>79,901</u>	<u>72,612</u>	<u>81,598</u>	<u>70,486</u>	<u>79,310</u>

BALANCE SHEET
INDUSTRY STANDARD COMPARATIVE
PUBLIC GOLF COURSES SIC 7992—328 ESTABLISHMENTS SURVEYED

	1996 DUN & BRADSTREET		1996 GLISAN STREET RECREATION	
ASSETS				
Cash	120,751	12.5%	115,188	20.3%
Receivables	23,184	2.4%	755	0.1%
Notes Receivable	2,898	0.3%	-	-
Other current assets	47,334	5.3%	33,726	5.9%
Inventory	51,199	4.9%	91,952	16.2%
Total current assets	245,366	25.4%	241,621	42.6%
Fixed Assets	632,737	65.5%	311,246	54.8%
Other Long Term Assets	87,907	9.1%	14,700	2.6%
Total Assets	966,010	100.0%	567,567	100.0%
LIABILITIES AND NET WORTH				
Accounts Payable	42,504	4.4%	30,633	5.4%
Notes Payable	29,946	3.1%	-	-
Other Current Liabilities	111,091	11.5%	11,495	2.0%
	183,541	19.0%	42,128	7.4%
Other Long Term Liabilities	312,021	32.3%	-	-
Deferred Credits	1,932	0.2%	-	-
Net Worth	468,515	48.5%	525,439	92.6%
	966,009	100%	567,567	100.0%
Sales	874,669	100.0%	2,519,585	100.0%
Gross Profit	579,906	66.3%	-	-
Net Profit After Tax	29,739	3.4%	217,024	8.6%

RATIOS
INDUSTRY STANDARDS
PUBLIC GOLF COURSES SIC 7992

	Upper Quartile	Medium	Lower Quartile	GSR
SOLVENCY				
Quick Ratio	2.4	0.7	0.3	2.8
Current Ratio	4.1	1.4	0.6	5.7
EFFICIENCY				
Sales to Inventory	50.6	29.3	16.0	27.4
PROFITABILITY				
Return on Sales (after tax)	11.0%	4.8%	-0.3%	8.6%
Return on Assets (after tax)	9.6%	3.7%	0.0%	38.2%
Return on Net Worth (after tax)	27.9%	10.2%	1.7%	41.3%

GLISAN STREET RECREATION, INC.
PROJECTED RETURN ON INVESTMENT

GROWTH RATE	DISCOUNTED RETURN ON INVESTMENT
1.0%	21.7%
1.5%	22.4%
2.0%	23.1%
3.0%	24.5%
4.0%	25.9%
5.0%	27.3%

ASSUMPTIONS

Incremental investment of \$1,000,000 will be made the four annual installments.

Revenues and expenses increase at the same rate.

No adjustment has been made for the \$100,000 contribution to Blue Lake Park.

At the termination of the contract, final distribution includes liquidation of inventory at carrying value as well as any remaining cash in the corporation.

CONTRACT COMPARISONS

12

	Revenue Sharing		Rents	Fixed Fee	Course	Capital
	Greens	Other	Paid	Received	Maintained	Improvements
Glendoveer	44.0%		\$12,000		YES	\$1,000,000
Ventura # 1	30.0%	30%			YES	NO
Ventura # 2	100.0%	30%			NO	NO
Ohio # 1	97.0%	10-26%			NO	NO
Ohio # 2	75.0%	5%			NO	NO
Ohio # 3	100.0%	20%			NO	NO
Clark County	87.5%	3-5%		440,000	YES	NO

GLENDOVEER EXTENSION PROPOSAL
SUBMITTED 3/25/96

The GSR Plan

GSR wishes to make extensive capital improvements to the land and the buildings known as Glendoveer Golf Course.

In consideration for these capital investments GSR wishes to extend the current Lease.

The Benefits

Metro property would be significantly upgraded using non public sector funds or a surtax.

Metro would derive additional income from Glendoveer, as these improvements would enhance the value of the golfing experience.

Metro's public perception would be enhanced by the positive capital improvements, and by the fact they used private sector money to achieve this objective.

Metro would be at the fore front in partnering with the private sector to relieve the burden from the tax payer. The idea that the public and private sector can have positive synergies is fast becoming a way of life. People like these arrangement as they recognize that both sides bring certain attributes to the table that are accretive. Metro's leadership would be considered user friendly by the public, as nobody would be coming to them for money.

The Extension Plan Specifics

GSR would make 1 million dollars worth of capital improvements.

These capital improvements funded by GSR would be done over a (4) year time frame. Approximately done in equal quarters. These improvements would commence immediately upon Metro's acceptance of this proposal.

Metro would retain all rights to determine how this 1 million would be best used on the Golf Course premise. GSR would submit all paperwork deemed relevant by Metro for accounting for the money used for capital improvements.

Metro and GSR would continue to operate under the guidelines of the existing contract. Metro would continue to receive the 44% of the Gross Green Fees that the contract calls for, which has averaged out over the last three years to: \$716,600.58. By improving the Golf Course and the buildings it is not unduly optimistic to consider that the above number would increase.

In consideration for funding and overseeing the capital improvements GSR would need a (10) year extension to insure an adequate return on there investment.

The Conclusion

The only draw backs that I could imagine for not going through with this plan are as follows: Metro is unhappy with GSR' performance.

Metro believes waiting (6) years with no capital improvements, for the chance to ink a more lucrative contract, is a better deal then taking the initiative and accepting an offer that will immediately pump money into the Golf Course. Money that eventually will come out the other end, because we will have a better product.

Thank you for any considerations given to this proposal. If any person would like to contact me for further information on this proposal, please do not hesitate to contact me. I can be reached by phone at 253-7507 or 257-9847, by mail at 14015 NE Glisan, Portland, Or. 97230, by fax at 253-1772, or by E-mail at jgh@teleport.com.

Best Regards,



Joseph G Hickey
President
Glisan Street Recreation



METRO

Mr. Joe Hickey, General Manager
Glisan St. Recreation, Inc.
14015 NE Glisan St.
Portland, OR 97230

May 27, 1997

Dear Joe,

I'm writing as a follow-up to our recent meeting regarding your proposal to invest \$1 million in capital improvements at Glendoveer Golf Course over a four (4) year period in return for a ten (10) year extension of the current "lease" and "management" agreements between Glisan St. Recreation, Inc. and Metro.

The purpose of this letter is to formalize the process we discussed and agreed upon at our meeting. We agreed on the following points:

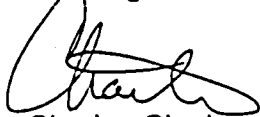
- A) The "shelf-life" of your offer is one (1) year to eighteen (18) months
- B) The Metro Council has never had the opportunity to review and evaluate the existing lease and management agreements to determine their competitiveness with similar public/ private golf course operations thereby making an informed decision regarding the Glisan St. Recreation, Inc. proposal difficult. Consequently, a formal evaluation of the existing agreements would be valuable to the decision process.
- C) Council consideration should be preceded by an evaluation process which :
 - 1) involves an informal citizen based committee composed of:
 - 3 members selected by GSR, Inc (These selections will be regular customers at Glendoveer. GSR, Inc. employees and shareholders will not be selected.)
 - 3 members selected by the Regional Parks and Greenspaces Department (Some or all of these members may hold positions on the Regional Parks and Greenspaces Advisory Committee.)
 - 1 member selected by the presiding officer of the Metro Council
 - 2) will be led by a qualified consultant, whose fees will be split equally between GSR, Inc. and Metro. The selection of the consultant and the consultant fee will be mutually agreeable to both GSR, Inc. and Metro.
 - 3) fulfills the following charges:
 - a) Review and analyze the existing contracts between GSR, Inc. and Metro to determine their competitiveness relative to other comparable public/private golf course operations and recommend any amendments that may be appropriate
 - b) If existing contracts are competitive, review and evaluate the GSR, Inc. proposal to complete \$1 million in capital improvements and prepare a recommendation for the Metro Council.

- c) If the committee recommends that the Metro Council accept the GSR, Inc. proposal, identify, prioritize and recommend the capital improvement projects to be pursued by GSR, Inc.
 - d) Review and analyze the implications and potential impacts of imposing a 7.5% excise tax on all fees, services and goods sold at Glendoveer and recommend to the Metro Council whether or not to implement an excise tax at Glendoveer.
- 4) is staffed by both GSR, Inc. and Metro Regional Parks employees.

Presuming you are in agreement with the contents of this letter, please sign below, make a copy for your files and return the original to me.

Thanks for your assistance and cooperation in moving your proposal forward for resolution.

Best regards,



Charles Ciecko
Director
Metro Regional Parks & Greenspaces Dept.

I have read, understand and agree with the points contained in this letter.

Joe Hickey, General Manager
Glisan Street Recreation, Inc.

Date

IMPLEMENTING CHAPTER 3 OF THE REGIONAL FRAMEWORK PLAN-

SUMMARY

GOAL: To protect on a long term basis, regional natural areas, open spaces, parks, trails, greenways (the Regional System) to maintain habitat for wildlife and to provide citizens with access to nature and open spaces.

POLICY: The Metro Charter and subsequent policy documents including the Future Vision, RUGGOs, Regional Framework Plan and the Greenspaces Master Plan all direct Metro to acquire, develop, maintain and operate a system of parks, open spaces and recreational facilities.

- In particular, the Greenspaces Master Plan describes goals and policies related to establishing an interconnected system of natural areas, open spaces and trails for people and wildlife.
- Chapter 3 of the Regional Framework Plan directs Metro to inventory, protect and manage the Regional System and directs Metro and local governments to address Level of Service Standards (LOS) for local parks, natural areas, open spaces, trails and recreational facilities. Metro will also develop a functional plan that would address land use planning for the Regional System and will include LOS standards for local parks and recreational centers.

OBJECTIVES/METHODS:

1. *Public Participation*
 - Prepare a 10 minute slide presentation to introduce work plan to the following:
 - special interest groups such as watershed groups, friends groups etc.
 - parks advisory boards
 - local government elected officials (county commissioner's/planning commissions, and city council)
 - WRPAC, MTAC, MPAC and Metro council
 - Seek GTAC assistance to facilitate public input and participation in their local jurisdiction.
2. *Reinventory the natural areas identified in 1989 and 1992*
 - Draft goals and objectives to analyse natural area data.
 - Delineate natural areas by overlaying 1998 aerial photographs over 1989 and 1992 natural areas inventory maps.
 - Identify gaps in 1989 data and use current data to fill in gaps.

- Identify natural areas lost since 1989.
 - Present data to GTAC.
3. *Draft and finalize proposed policies to protect and manage components of the Regional System*
 - Research “technical paper” on policies relating to regulation, incentives and education nationwide to protect and manage the Regional System.
 - Peer-review technical paper.
 - Identify policies and implementation measures to protect and manage the Regional System.
 - Identify appropriate Goal 5 regulatory measures to protect the Regional System.
 - GTAC reviews measures.
 4. *Update the 1988 regionwide inventory of Parks.*
 - Draft goals and objectives.
 - Prepare data sheet to seek park related information.
 - Identify other existing parks inventory/master plans.
 - Compile all information.
 - Present data to GTAC.
 5. *Inventory the urban forestry canopy layer*
 - Identify criteria to inventory the urban canopy layer.
 - Interpret remote sensing data to inventory the urban canopy layer.
 6. *Identify the Regional System*
 - Establish criteria to determine the Regional System.
 - Incorporate results from items 2 and 4 above into data.
 - Add other relevant data layers i.e. regional trail layer, historical landmarks, education, interpretive centers; local government Goal 5 inventory, Title 3, government owned lands, school grounds and recreation centers and other appropriate data layers .
 - Draft the regional system map.
 - Present data to GTAC.
 7. *Refine data, identify gaps and incorporate relevant data into the Regional System.*
 - Identify gaps in the natural resource map.
 - Identify gaps in the parks layer data.
 - Identify gaps in the urban canopy layer.
 - Conduct field survey to verify and identify gaps in data (as identified above).
 - Work in coordination with growth management department to incorporate Goal 5 section.
 - Gather input from local experts.
 - Public review of the Regional System map.
 - Field verified Regional System map.

8. *Public review process*
 - Present a slide presentation of Regional System plan and map to public.
 - Organize 4-5 public workshops throughout the region.
 - Refine Regional system map and plan according to public input.
9. *Establish working group of GTAC members to draft criteria for LOS standards for local parks, natural areas, and recreational facilities.*
 - Establish working group of GTAC members
 - Establish criteria for identifying “LOS” for local governments.
 - identify public involvement process
 - adopted LOS standards by local parks governing body
 - Local governments will establish region-wide goals for local parks and open spaces for various urban design types identified in the 2040 plan
 - Local governments assess needs for “LOS”.
 - Local governments draft “LOS” .
10. *Research funding mechanisms and develop a proposal for financing components of the Regional and Local System.*
 - Develop a proposal to finance components of the Regional System.
11. *Draft the functional plan for regional parks and open spaces, and for local parks and recreational facilities.*
12. *Public review of the natural areas and parks Functional Plan*
 - Prepare a slide show, maps and brochures depicting components of the Functional Plan
 - Organize 4-5 workshops throughout the region.
 - Organize local, state and federal support for the plan.
13. *Council adopts the regional functional plan and the Regional System map.*

BENEFITS OF THE REGIONAL SYSTEM

- protect parks, and natural areas on a consistent basis
- protect and enhance regions biodiversity
- provide citizens opportunities for natural resource dependent recreation and education
- contributes to protection of air and water quality
- provides natural buffers between communities
- consistent resource based management of regional parks and natural areas

PRODUCTS

1. Updated 1998 natural resources map and database
2. Updated 1998 region-wide parks and trails inventory
3. Approved criteria for Regional System
4. Field verified Regional System map
5. Policies to protect and manage components of the Regional system
6. Criteria to determine "LOS" for local park system
7. Adopted Functional plan (products from 4, 5 and 6 will be incorporated into the Functional Plan).

TIMELINE

Three years to complete Task 1 to 12 (1998- 2001)

Task 13 (Council adoption of functional plan) will be initiated by June 2001 and completed by February 2002

	1998		1999		2000		2001		2002
	June	Dec	June	Dec	June	Dec	June	Dec	
Task 1 _____									
Public Participation									
Task 2 _____									
Reinventory natural areas									
Task 3 _____									
Draft policies to protect Regional System									
Task 4 _____									
Update regionwide parks and trails inventory									
Task 5 _____									
Inventory the urban forest canopy layer									
Task 6 _____									
Identify the Regional System									
Task 7 _____									
Refine data, identify gaps and incorporate into Regional System									
Task 8 _____									
Public Review Process									
Task 9 _____									
Establish GTAC group to draft criteria for local 'LOS' standards									
Task 10 _____									
Research funding mechanisms for financing components of the Regional and Local system.									
Task 11 _____									
Draft the functional plan									
Task 12 _____									
Public review of functional plan									