

City of Brookings MEETING AGENDA

CITY COUNCIL

Monday, May 14, 2012, 7:00pm

City Hall Council Chambers, 898 Elk Drive, Brookings, OR 97415

A. Call to Order

B. Pledge of Allegiance

C. Roll Call

D. Ceremonies/Appointments/Announcements

1. Accept the resignation of Larry Anderson and declare the position of Mayor as vacant. [City Manager, pg. 4]
 - a. Excerpts - City Charter Chapter III & IV and Oregon Revised Statutes [pg. 5]
 - b. Letter of resignation dated May 4, 2012 [pg. 6]

E. Oral Requests and Communications from the audience

1. Public Comments on non-agenda items - 5 minute limit per person.*

F. Staff Reports

1. Fee waiver request from Friends of Brookings-Harbor Aquatic Center. [City Manager, pg. 7]
 - a. Park Use Application [pg. 8]
 - b. Letter from Friends of Brookings-Harbor Aquatic Center [pg. 10]
2. Presentation and discussion of the Operational Review of the Salmon Run Golf Course. [City Manager, pg. 11]
 - a. Operational Review – Final [pg. 12]
3. Approval to execute new shooting range lease with South Coast Lumber Company. [Police, pg. 86]
 - a. 1985 lease agreement [pg. 87]
 - b. New lease agreement [pg. 88]
4. Authorization for City Manager to pursue a contract with "Today in America." [City Manager, pg. 98]
 - a. Local Focus Article – City of Newport project [pg. 99]
 - b. Yahoo Article – City of Elizabethtown project [pg. 100]

G. Consent Calendar

1. Approve City Council minutes for April 23, 2012. [pg. 101]
2. Accept Planning Commission minutes for March 6, 2012. [pg. 106]
3. Accept April, 2012 Vouchers in the amount of \$211,317.90. [pg. 107]

H. Remarks from Mayor and Councilors

I. Adjournment

*Obtain Public Comment Forms and view the agenda and packet information on-line at www.brookings.or.us, at City Hall and at the local library. Return completed Public Comment Forms to the City Recorder before the start of meeting or during regular business hours.

All public meetings are held in accessible locations. Auxiliary aids will be provided upon request with advance notification. Please contact 469-1102 if you have any questions regarding this notice.

May 2012

| May 2012 | | | | | | | June 2012 | | | | | | |
|----------|----|----|----|----|----|----|-----------|----|----|----|----|----|----|
| Su | Mo | Tu | We | Th | Fr | Sa | Su | Mo | Tu | We | Th | Fr | Sa |
| | | 1 | 2 | 3 | 4 | 5 | | | | | | 1 | 2 |
| 6 | 7 | 8 | 9 | 10 | 11 | 12 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 13 | 14 | 15 | 16 | 17 | 18 | 19 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| 20 | 21 | 22 | 23 | 24 | 25 | 26 | 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 27 | 28 | 29 | 30 | 31 | | | 24 | 25 | 26 | 27 | 28 | 29 | 30 |

| | Monday | Tuesday | Wednesday | Thursday | Friday |
|----------------|--|--------------------------|--|---|--|
| Apr 30 - May 4 | Apr 30 | May 1 | 2 | 3 | 4 |
| | | | 10:00am 12:00pm CC- Site Plan 12:00pm 1:00pm CC - Stout Park 7:00pm 9:00pm FH-PoliceResrvs | 3:00pm 4:00pm CC - Staff | |
| May 7 - 11 | 7 | 8 | 9 | 10 | 11 |
| | 11:00am 12:00pm CC - VIPS 4:00pm 6:00pm CC - Council Wkshp 7:00pm 10:00pm FH-FireTrng | | 10:00am 11:00am FH-BRFD 10:00am 12:00pm CC- Site Plan | 9:00am 10:30am CC-Crm Stoppers 1:00pm 2:00pm CC - Court 2:30pm 4:30pm CC-LifeGuard Interviews (CC) | |
| May 14 - 18 | 14 | 15 | 16 | 17 | 18 |
| | 1:00pm 3:00pm CC - Standards & Specs 7:00pm 10:00pm FH-FireTrng 7:00pm 9:30pm CC-Council | | 10:00am 12:00pm CC- Site Plan | 12:00pm 1:00pm CC - Public Art 1:00pm 2:30pm CC - Staff | |
| May 21 - 25 | 21 | 22 | 23 | 24 | 25 |
| | 11:00am 12:00pm CC-VIPS 7:00pm 10:00pm FH-FireTrng | | 10:00am 12:00pm CC- Site Plan | 1:00pm 2:30pm CC - Staff 7:00pm 9:00pm CC-Parks & Rec | 10:00am 11:30am CC - Fujita Reception 6:00pm 7:00pm CC - City Hall Memorial |
| May 28 - Jun 1 | 28 | 29 | 30 | 31 | Jun 1 |
| | 8:00am 5:00pm Memorial Day Holiday - City Hall Closed 7:00pm 10:00pm FH-FireTrng | 7:00pm 9:00pm CC-Council | 10:00am 12:00pm CC- Site Plan | 1:00pm 2:30pm CC - Staff | |

June 2012

| June 2012 | | | | | | | July 2012 | | | | | | |
|-----------|----|----|----|----|----|----|-----------|----|----|----|----|----|----|
| Su | Mo | Tu | We | Th | Fr | Sa | Su | Mo | Tu | We | Th | Fr | Sa |
| | | | | | 1 | 2 | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 3 | 4 | 5 | 6 | 7 | 8 | 9 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 10 | 11 | 12 | 13 | 14 | 15 | 16 | 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 17 | 18 | 19 | 20 | 21 | 22 | 23 | 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| 24 | 25 | 26 | 27 | 28 | 29 | 30 | 29 | 30 | 31 | | | | |

| | Monday | Tuesday | Wednesday | Thursday | Friday |
|----------------|--|---|---|---|--------|
| May 28 | 29 | 30 | 31 | Jun 1 | |
| May 28 - Jun 1 | | | | | |
| Jun 4 - 8 | 4 11:00am 12:00pm CC - VIPS 4:00pm 6:00pm CC - Council Wkshp 7:00pm 10:00pm FH-FireTrng | 5 | 6 10:00am 12:00pm CC- Site Plan 12:00pm 1:00pm CC - Stout Park 7:00pm 9:00pm FH-PoliceResrvs | 7 1:00pm 2:30pm CC - Staff 3:00pm 4:00pm CC - Staff 6:00pm 7:00pm CC - Staff 7:00pm 10:00pm CC-ODF&W 10:00pm 11:00pm CC- Staff | 8 |
| Jun 11 - 15 | 11 7:00pm 10:00pm FH-FireTrng 7:00pm 9:30pm CC-Council | 12 7:00pm 10:00pm CC - Planning Comm | 13 10:00am 11:00am FH-BRFD 10:00am 12:00pm CC- Site Plan 5:30pm 7:30pm CC - Victims Impact Panel | 14 9:00am 10:30am CC-Crm Stoppers 1:00pm 2:00pm CC - Court | 15 |
| Jun 18 - 22 | 18 11:00am 12:00pm CC-VIPS 7:00pm 10:00pm FH-FireTrng | 19 7:00pm 9:00pm CC - PC (TENTATIVE) | 20 10:00am 12:00pm CC- Site Plan | 21 1:00pm 2:30pm CC - Staff | 22 |
| Jun 25 - 29 | 25 7:00pm 9:00pm CC-Council 7:00pm 10:00pm FH-FireTrng | 26 | 27 10:00am 12:00pm CC- Site Plan | 28 1:00pm 2:30pm CC - Staff | 29 |

CITY OF BROOKINGS

COUNCIL AGENDA REPORT

Meeting Date: May 14, 2012

Originating Dept: City Manager


Signature (submitted by)

City Manager Approval

Subject: Resignation of Mayor Anderson

Recommended Motion:

Accept the resignation of Larry Anderson and declare the position of Mayor as vacant.

Background/Discussion:

On May 7, 2012, the City received a letter from Larry Anderson resigning his position as Mayor, effective immediately.

According to the City Charter and Oregon Revised Statutes, the City Council must, within 60 days of declaring a vacancy on the City Council, fill the vacancy by appointment.

The City Council may appoint any registered voter of the State of Oregon who has resided in the City of Brookings for at least 12 months preceding appointment to serve as Mayor. The appointee will fill the current term which expires on January 14, 2013. If a member of the City Council is appointed to serve as Mayor, that Council seat would then be declared vacant and the City Council would be required to proceed with filling the new vacancy by appointment.

The election for Mayor and two City Council seats is scheduled for November, 2012.

Attachment(s):

- a. Excerpts from City Charter Chapter IV and Oregon Revised Statutes
- b. Letter from Larry Anderson dated May 4, 2012

CITY OF BROOKINGS CHARTER OF 1993

CHAPTER III

Section 7. Council.

The council consists of a mayor and four councilors nominated and elected from the city at large or, in case of one or more vacancies in the council, the council members whose offices are not vacant.

CHAPTER IV

Section 19. Vacancies: Occurrence.

The office of a member of the council becomes vacant:

- (1) Upon the incumbent's:
 - (a) Death,
 - (b) Adjudicated incompetence, or
 - (c) Recall from office; or
- (2) Upon declaration by the council of the vacancy in case of the incumbent's:
 - (a) Failure, following election or appointment to the office, to qualify for the office within ten days after the time for his or her term of office to begin.
 - (b) Absence from the city for 30 days without notifying the council or from all meetings of the council within a 65-day period.
 - (c) Ceasing to reside in the city.
 - (d) Ceasing to be a qualified elector under state law.
 - (e) Conviction of a felony crime, a misdemeanor involving moral turpitude or any other offense pertaining to the public office.
 - (f) Resignation from the office.

Section 20. Vacancies: Filling.

A vacancy in the council shall be filled within 60 days by:

- (1) Appointment by a majority of the council;
- (2) Special election when the number of vacancies in the council exceeds the number of members holding office.

The terms of office of those appointed or elected run from the time of their qualifying for office after appointment or election and until expiration of the terms of their predecessors who have left the offices vacant.

OREGON REVISED STATUTES

Section 221.120

- (4) The council shall fill by appointment vacancies in its membership.
- (5) The term of office of an appointee to an office of councilor shall be the remainder of the term of office of the immediate predecessor of the appointee in the office.



City of Brookings

898 Elk Drive, Brookings, OR 97415
(541) 469-2163 Fax (541) 469-3650 TTY (800) 735-1232
www.brookings.or.us

May 4, 2012

City of Brookings
898 Elk Dr.
Brookings, OR 97415

Attn: Mr. Gary Milliman
City Manager

Dear Gary,

Fulfilling the responsibilities and duties of the mayor requires a considerable amount of personal time. For the past 12 years, I have been able to balance my personal life with civic volunteerism. Due to increasing demand for my medical, family, and business concerns, I can no longer allocate the time to properly perform the duties of mayor. This notification serves as a formal resignation, effective upon receipt.

I thank the citizens of the City of Brookings for their past support, and the opportunity to serve the community.

Respectfully,

Larry Anderson

LDA:sla

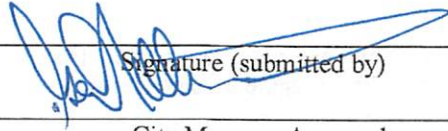
cc: Curry Coastal Pilot

CITY OF BROOKINGS

COUNCIL AGENDA REPORT

Meeting Date: May 14, 2012

Originating Dept: City Manager



Signature (submitted by)

City Manager Approval

Subject: Fee Waiver Request from Friends of the Brookings-Harbor Aquatic Center

Recommended Motion: If the City Council desires to grant the fee waiver: Motion to authorize the Friends of the Brookings Harbor Aquatic Center to use Azalea Park, snack shack, restrooms and picnic tables without fee for the 2012 Family Fourth of July BBQ Field Day Event and Fundraiser.

Financial Impact: Waiver of use fees totaling \$315.00.

Background/Discussion:

The Friends of the Brookings Harbor Aquatic Center has requested a waiver of park and picnic bench use fees associated with its proposed fundraising event at Azalea Park scheduled for July 4, 2012.

Attachment(s):

- a. Letter from Friends of the Brookings Harbor Aquatic Center with description of July 4th event.
- b. Park Use Application Form



RECEIVED

MAY 7 REC'D
PARK USE
APPLICATION PERMIT

The City of Brookings programs, services, and activities are open to all persons without regard to race, age, sex, disability, religion, or national origin.

CITY USE ONLY: Rec'd Date: 5/7/12 By: LZ

| Department | By | Date | Approved | Comment |
|--------------------|----|------|----------|---------|
| Parks/Public Works | | | Y / N | Y / N |
| Fire | | | Y / N | Y / N |
| Police | | | Y / N | Y / N |
| Admin Services | | | Y / N | Y / N |
| City Manager | | | Y / N | Y / N |

Please sign, date and deliver to the next dept. on the list. Please note any comments on page 4 under "Comments - City Use Only" and RETURN TO LAURI

Event Date(s): 7/4/12 to 7/4/12 Time: From 7 am/pm to 6 am/pm Day(s)(circle) M/T/W/R/F/Sat/Sun

No. of participants (each day): 250+ Nature/Name of Event: FAMILY FOURTH OF JULY BBQ & TEEB DAY

Contact Person: JULIANE LEIGHTON Day Phone: 541 251 0617 Other: 541 469 2319

Organization: FRIENDS OF THE BROOKINGS - HARBOR AQUATIC CENTER

Mailing Address: PO Box 6489 BROOKINGS OR 97415

PARK/LOCATION: (Check all that apply)

AZALEA PARK AREA: (Check all that apply)

- ☒ Azalea ☐ Bud Cross ☐ Easy Manor ☐ Gazebo ☒ Bandshell/Stage ☒ Concession Stand (CS) ☒ Bankus ☐ Skate Park ☐ Chetco Point ☒ Lawn area ☐ Kidtown Picnic Area ☒ Restrooms only (at CS) ☐ Stout ☐ Tennis Courts ☐ Other (Please Specify):

Check Yes or No to each of the following:

Will you be renting picnic tables? ☒ Yes ☐ No Qty: 400 Is Site Map included? ☐ Yes ☐ No

Is this event free? ☒ Yes ☐ No If no, how will funds be secured/protected?

Will amplification equipment be used? ☒ Yes ☐ No If yes, noise level shall be contained within the immediate area.

Describe purpose/type: BACKGROUND MUSIC, BUCCY, RE-ACTION

Will there be dancing? ☐ Yes ☒ No

Will merchandise be sold? ☒ Yes ☐ No

If yes, by whom? FRHAC

Describe purpose/type: Silent Auction, July 4th Items

Do you want to place temporary signs? ☒ Yes ☐ No (Requires prior City Manager approval - see page 1)

Describe quantity, location, type: SIGNS AROUND PARK AREA DIRECTING TO EVENTS BANNERS FOR SPONSORS

LIABILITY STATEMENT/AGREEMENT

I/We agree to abide by all applicable federal, state, and local laws, regulations, and ordinances which pertain to the use of said property and agree to pay for any damage to same, as a result of use. I/We agree to hold the City, its officials and employees, harmless from any liability resulting from use of said property and to obtain any and all required permits and/or business licenses required by the City.

THE CITY OF BROOKINGS ASSUMES NO RESPONSIBILITY OR LIABILITY FOR INCLEMENT WEATHER.

The undersigned agrees to pay for any and all damages occurring during the reserved period. User agrees that the deposit paid herewith will be applied toward damages to the facility or its contents during the reserved period. Any of the deposit not applied to damages will be applied first to unpaid rental fees with any excess refund to user. Normal wear and tear as determined by the City of Brookings shall not be considered damage. User also acknowledges that he/she has read and understands the Rules and Regulations for Brookings City Parks and has reviewed pages 4 and 5 of the application.

Signature of person completing this application:

Date: 4/11/12

Print name of person completing this application:

JULIANE LEIGHTON

City Use Only: Paid: ☒ Applicant Notified: _____ Copy to Parks Dept: _____

PARK USE FEE/REQUIREMENT WORKSHEET



THIS PAGE FOR CITY USE ONLY:

Requesting Fee Waiver

| Use | User Fees | Deposit Fees | Restrictions/Comments |
|--|-----------------|--------------|-----------------------|
| Park | \$ <i>20</i> | \$ | |
| Bandshell/Stage | \$ <i>20</i> | \$ | |
| Concession Stand w/restrooms - \$75.00 | \$ <i>75</i> | \$ | |
| Concession Restrooms ONLY - \$25.00 | \$ | \$ | |
| ? Picnic Tables: Qty <i>20</i> @ \$20 each | \$ <i>200.-</i> | \$ | |
| TOTAL | \$ <i>315.-</i> | \$ | |
| Check # | | | |
| City Receipt # | | | |

APPLICANT: Please review the following: Some or all of the following may apply. It is the applicant's responsibility to obtain required insurance, permits and/or licenses prior to the event and provide proof to the City.

Other Requirements Additional Information/Comments

| | | |
|--|------------------------------|--|
| <input type="checkbox"/> Site Plan | <input type="checkbox"/> Map | <input type="checkbox"/> On-site visit required. Date: _____ Time: _____ am/pm |
| <input type="checkbox"/> City Business License | | |
| <input type="checkbox"/> Proof of Insurance | | |
| <input type="checkbox"/> Security | No. of Officers: _____ | Comments: _____ |
| <input type="checkbox"/> Temporary Signs | City Manager Approval: | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| Comments: _____ | | |

| |
|--|
| Department Comments: <i>Must pick up + return picnic tables on their own day before + day after 4th of July. Provide CTR dumpster behind snack shack for garbage. Provide Insurance.</i> |
| |
| |

Approval Copies to:

| | | |
|---|--|--|
| <input type="checkbox"/> Parks Department | <input type="checkbox"/> Police Department | <input type="checkbox"/> Fire Department |
| <input type="checkbox"/> Applicant | <input type="checkbox"/> File | |

☐ Security Deposit request submitted on: _____ Amount: \$ _____

☐ Deposit not returned/reason: _____

☐ Event cancelled on: _____ Fee returned: ☐ in full ☐ partial Amount refunded: \$ _____

Reason for refund: _____



4 May 2012

Garry Milliman, City Manager
City of Brookings City Hall
898 Elk Drive
Brookings, OR 97415

Mr. Milliman,

Friends of the Brookings-Harbor Aquatic Center (FBHAC) is pleased to be hosting the Second Annual Family Fourth of July BBQ & Field Day Event and Fundraiser at Azalea Park. Last year's event served both as a wonderful community opportunity to enjoy time with family and friends in our beautiful city park and as a successful fundraiser for the indoor aquatic center feasibility study. The event boasts a wonderful BBQ lunch, local entertainment, classic Field Day activities including Tug o' War, a Best Pie Contest and pie auction, and a silent auction. As previously, the event is organized solely by volunteers and is free for the public to attend. There is a fee for our BBQ lunch and to participate in contests and activities. We hope you, with approval from the Brookings City Council, will help further our vision for the Brookings-Harbor community by supporting this family friendly Fourth of July event by waiving the associated park fees.


FBHAC is a non-profit organization dedicated to the development of a *sustainable* indoor community aquatic center in Brookings-Harbor. An indoor aquatic center offering active recreation and fitness programs affords countless avenues to address community wellness needs such as opportunities for improving physical health, providing new jobs in the community, offering a new attraction for residents and visitors, and developing after-school activities for kids and programs for the disabled and seniors.

FBHAC feels the development of a sustainable indoor community aquatic center will make a significant positive impact on our community. A vital step in the process of developing a sustainable facility is obtaining a feasibility study to identify the fitness and recreation needs of our community and develop a facility plan to meet those needs. Furthermore, we intend to combine that information with research from other communities that are successfully combining innovative design features and green technology to ensure we develop a facility with an operational plan that is sustainable within our community.

FBHAC is a community-based, non-profit organization that has a vision and mission that will benefit every member of our community regardless of age, fitness level or physical capability. We intend to design a facility that meets the fitness and recreation needs of our community members and will be a significant, sustainable asset to the community. Again, we are asking you, with the support of the Brookings City Council, to waive park fees for our Family Fourth of July BBQ & Field Day Event and Fundraiser.

Thank you for your time and consideration. If you have any questions, please contact me at 541.251.0617 or email me at juliane@fbhac.org. I plan to follow up with you in the next week.

Sincerely,


Julianne Leighton, MD
Chair, FBHAC

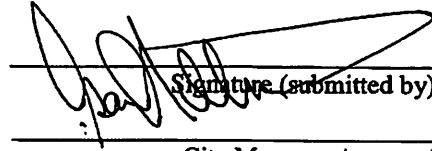
Friends of the Brookings-Harbor Aquatic Center
PO BOX 6489, Brookings, OR 97415
541.251.0617
friends@fbhac.org

CITY OF BROOKINGS

COUNCIL AGENDA REPORT

Meeting Date: May 14, 2012

Originating Dept: City Manager



Signature (submitted by)

City Manager Approval

Subject: Golf Course Consultant Report

Recommended Motion:

No action at this time.

Background/Discussion:

The City retained the services of Golf Convergence to assist the City and the owners of the Salmon Run Golf Course in evaluating the status of the golf course as a going concern, identify changes in golf course operations and facilities that would make the golf course sustainable, and evaluate the current lease agreement. The City used lease payment funding from The Clarvern Group to fund the consultant services.

James Keegan, principle with Golf Convergence, has made several trips to Brookings to visit the golf course, including a trip with a golf course landscape architect. Keegan has conferred with City management, golf course ownership/management, the City's water rights consultant, the Freeman family (current water source is provided by the Freeman family), golf course users and many others, and has visited golf courses in nearby communities.

Keegan has prepared a report (attached) and will make a presentation on his findings and recommendations at the City Council meeting.

Staff recommends that the City Council hear the report, interact with the consultant and refer the report to the City Managers for the development of specific recommendations on action items.

Attachment(s):

- a. Operational Review – Salmon Run Golf Course



City of Brookings

Operational Review – Salmon Run Golf Course

May 14, 2012

Submitted by:

Golf Convergence, Inc.
4215 Morningstar Drive
Castle Rock, CO 80108
(t) 303 283 8880
(f) 303 283 8884
www.golfconvergence.com





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Executive Summary - Golf Course Operational Review

Background

The Salmon Run Golf course was first envisioned in April, 1987 with the gift of 117.16 acres by South Coast Lumber to the City. This gift ultimately resulted in the City undertaking a feasibility study for the construction of a golf course in the Jack Creek Valley, and that course was completed by December, 1991.

Throughout its checkered 21-year history, the golf course has been the subject of great debate and consternation, since the city's financial and labor resources have been stretched in order to keep the many promises tendered by numerous groups. And even with heavy reliance on city resources, not all of those promises have been kept. Thus, an independent review of the golf course operation was sought.

Strategists are often retained because of the following scenarios: 1) when there is a change in management and those who are now accepting accountability seek to benchmark the current operation upon their entrance; 2) when the deterioration of the financial condition of the operation is clear to all; 3) when leadership is proactive in seeking to outperform the competition to ensure that the full potential of the golf course is realized.

For this engagement, the leadership of the City of Brookings sought to:

- 1) Proactively measure the full potential of the golf course to ensure that citizens were being properly served.
- 2) To evaluate the terms and conditions and to propose recommendations to revise a 60-year lease agreement initially signed with the Claveran Group in April, 1997 for the operation of the Salmon Run Golf Course. It should be noted that the agreement has been subsequently amended in December, 2004, December 2008, and May 2010.

Of specific concern is that the City has yet to receive a rental payment that is due and payable under the agreement pursuant to the provisions therein quoted below:

Lease rent shall commence to be paid by Lessee to Lessor four (4) years after the initial construction debt incurred by Lessee has been paid, but not later than twelve (12) years from the date of execution of this lease agreement.

Upon complete repayment of the initial construction debt, the following rent payment schedule shall become effective and rent shall be paid by Lessee to Lessor at 898 Elk Drive, Brookings, Oregon, or such other address as may hereafter be designated by Lessor:



| | Annual Rental Payment |
|--------|-----------------------|
| Year 1 | 20,000 |
| Year 2 | 25,000 |
| Year 3 | 30,000 |
| Year 4 | 35,000 |
| Year 5 | 40,000 |
| Year 6 | 45,000 |
| Year 7 | 50,000 |

In 2010, the lease was amended such that the rental payment was to commence 14 years after the date of the execution of the original lease agreement.

There are those that believe a private company should not be able to use City land without appropriate financial consideration and that strict adherence to the contract is important so as to not establish a precedent which other private companies could cite in their negotiations with the City.

- 3) Ascertain compliance with a Conditional Use Permit that was issued by Curry County to the City on July 8, 1992. While the lease agreement implies that The Claveran Group assumed the responsibilities of the City in complying with the Conditional Use Permit, the City remains ultimately responsible for compliance with the Conditional Use Permit.

The provisions of the Conditional Use Permit are comprehensive, and full compliance therewith might be considered by some as overly burdensome and financially debilitating.

Scope of Work

The scope of services requested via a Request for Proposal included:

1. Review the following documents:
 - a. David Evans water service report
 - b. Lease Agreement including all amendments
 - c. Conditional Use Permit
 - d. 2011 Business Plan
 - e. 2011 Improvement Plan
 - f. 2011 Operational review (OB Sports Management)
 - g. 2009, 2010 golf course financial statements
 - h. City correspondence file and reports.
2. Meet with City staff, Golf Course Management to discuss questions/issues arising from review of above.
3. Identify any contractual or use permit compliance issues.

4. Prepare findings and recommendations, including plan for financing improvements, resolving water service matters and achieving financial stability.
5. Conduct site visit.
6. Develop and draft a new lease agreement incorporating findings and recommendations from #2 above, including financial remuneration to the City and ongoing monitoring of compliance and financial goals.

The Fundamental Question to be Answered from this Review

This operational review and the recommendations contained herein can be reduced to the consideration of a single question:

"What is of greater value to the City of Brookings?

- a) Holding a private contractor, who has invested \$9.3 million, strictly to the provisions of a lease agreement?

Or

- b) Working in a future partnership, with the private contractor jointly investing appropriate resources to ensure the continuation of a recreational amenity for the benefit of citizens that also serves as a tourist attract stimulating economic development?

The choices are mutually exclusive.

It is believed, based on the research completed, that the City's strict adherence to the lease agreement will result in the ultimately closure of Salmon Run. The third-party contractor has no desire to invest significant additional capital in this project. The identification of another lessee is unlikely in the current economic environment.

It is our professional recommendation that the City should amend the lease, specifying:

City's responsibilities:

- a) To abate rental payments for an additional ten (10) years.
- b) To divert up to 92 acre feet annually of its unallocated water supply to provide a source of water for the golf course during the period of time such land is used for said purpose.
- c) Assign some of its labor resources and equipment to remove the non-native species that are prevalent throughout the course.



The Claveran Group, LLC responsibilities:

- a) Invest up to \$100,000 to install irrigation pipe from the diversion point on the Chetco River, thereby providing a permanent water source for the golf course
- b) Acknowledge that the City has a joint interest in the intangible assets of the golf course, including all trademarks, copyrights, and the golf course database containing the names, email addresses, and other customer contact information.

What is the basis for this recommendation?

By modifying the lease as specified, an asset of intangible value to the community and of tangible financial value to both the City and the private contractor would be created. The value of the golf course would increase from its current negligible value to nearly \$1.0 million. The assignment of the intangible assets to the City by the private contractor has a value of \$60,000. More importantly, such information, would be a vital resource should the private company default through abandonment of the agreement and the City elect to pursue various alternatives to include continued operation of the course through another third-party company.

The Role of Municipal Golf

A municipal golf course serves a vital role in a City, providing value-based recreation and leisure entertainment to its citizens. To the extent that it can be provided on a basis that is fiscally self-sustaining, it is a valuable asset.

Why? It serves as an entry door to the game as it introduces individuals to the game, its rules, and its defining culture. It is the only sport in which professionals are role models who demonstrate that referees are not necessary for an event to be fair and fun.

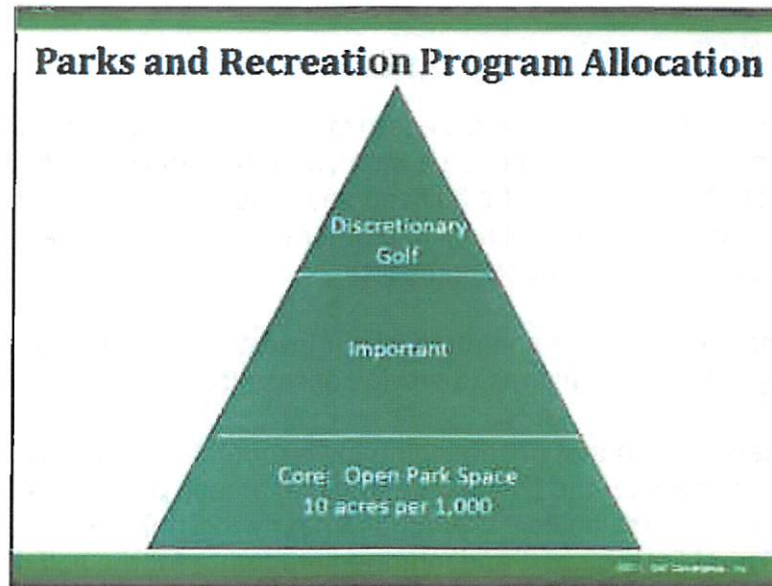
For families and friends, golf is an opportunity to enjoy each other's company via a walk through nature's preserve. For the competitive athlete, it is an arena to demonstrate one's ability. For business men and women, it is an office, and for those who are retired, it serves as a place to meet, exercise, and enjoy the reward for a life of diligent effort.

During the past decade, and specifically since 9/11, the decision for the allocation of municipal funds has been to provide police and fire with the highest financial priority, while other municipal services compete for the remaining resources.

A substantial number of citizens believe that golf, like tennis and swimming pools, should be supported by the taxpayers, and that a profit focus for golf is inappropriate. If taxpayers subsidize the golf operations, the benefit will be for approximately 12% of the taxpayers.

In the current economic environment, that proposition is not popular, especially considering the fact that the golfers tend to be older and have greater discretionary financial resources.

Thus, it is essential to understand the organizational framework in which the golf course operates within a City's defined charter of providing leisure services. Parks and Recreation systems across this country provide three types of services:



- **Core Essential Services:** These are services the city must provide to manage parks. They would include providing parks and open space for no cost, park maintenance, security, administration, and essential parks-related duties that are considered totally public good services. These types of services are typically supported by tax dollars.
- **Important Services:** These are services where there is public good and private good involved in the same service. Examples of Important Services would include programs such as swim lessons, summer day camps, and after-school programs.
- **Value-Added/Discretionary Services:** These are services that are nice to provide if money is available to support the services and if the community is willing to invest in them through user fees. These services would include **golf**, senior trips, fitness programs, and individual instructional classes and lessons.

With golf clearly a value-added/discretionary service, the investment in this asset needs to be fiscally self-sustaining, especially since private enterprise can often adequately fulfill this need for the citizens. It is with this understanding that recommendations within this report were framed.

The ultimate goal for a City must be the ability to answer annually the following question:

"Has the City provided value to its citizens in operating a recreational forum welcoming to all that enhances the quality of their lives and is fiscally self-sustaining, with adequate capital generated from reinvestment to preserve the City's treasured assets?"



To the extent that the answer to that question is "Yes," then it could be debated if a further financial return is mandated. Thus, the goal of management cannot be merely be a quantitative return on money invested. It must also include in that goal the intangible value of enhancing the quality of its citizens' lives.

Factors Influencing the Decision

The Salmon Run Golf Course is a valued asset to the City of Brookings, which serves 1,000 residents. It is the only quality golf course within a 50-mile radius of the City and also serves as a tourist attraction. The presence of a golf course further results in contributions exceeding \$20,000 per year to support high school and other worthwhile charities. Without this venue, that economic generator would not be present.

The City is fortunate to have had an entrepreneur invest \$9.3 million in capital and fund an annual operating deficit in six figures to provide access to this recreational amenity.

Working in partnership with that private company is mutually beneficial. For the City to assume operational responsibility for the golf course by citing breach of the lease agreement would not be prudent. The golf course could easily require nearly \$200,000 in annual capital support from the general fund for the short and intermediate future for the golf course will be challenging.

Why the negative forecast on the course's short-term potential? The original feasibility study justifying construction of the golf course in 1991 was flawed. There are an insufficient number of golfers within 10 miles to financially sustain the golf course. One thousand seven hundred and twenty-seven golfers are required to support 18 holes. The Brookings area has only 1,060 golfers per 18 holes within 10 miles.

Further, the remote location of the golf course and its distance from major airports precludes significant tourist play. The course is too isolated; more than 340 miles from Portland and 400 miles from San Francisco.

Locally, the area has an insufficient number of "resort" hotels to attract and retain visiting golfers and vacationing families, and the local demographics are not encouraging. While the age (34% positive) and ethnicity (16% positive) are positive factors, they are insufficient to offset the low median household income (32% negative).

While weather is a favorable factor that slightly mitigates the adverse demographics, with 282 playable golf days per year, even with superlative management, the course would be challenged to break even.

The golf course has numerous challenges that are not easily correctable: length, course layout, inadequate driving range, irrigation, lack of permanent water source, etc.

Therefore, assumption of the sole operational responsibility for the golf course by the City would not be prudent. Working in partnership with a partner who has a significant investment and emotional commitment to the project is more viable.

Formal procedural steps (Action by City Council)

The role of City Council is to provide leadership by enacting laws and allocating City resources for programs, services, and activities.

In undertaking an operational review of a golf course, it is common to create a never-ending list of strategic goals, tactical plans, and operational revisions that must be reviewed and debated, with citizen input included, before approval is ultimately forthcoming. Such a method serves little purpose.

For this review, it is recommended that the City Council participate with the lessee to complete the goals outlined

The golf course is a living organism that requires constant investment.

While the capital allocated to build the course was more than adequate, it is regretful that many of these issues could have been avoided if, in our professional opinion, a qualified construction contractor and experienced golf course architect had been retained. To resolve these issues would require more than an additional \$2.5 million to acquire additional land, build three new holes, fix the underlying course drainage, and address a myriad of other issues.

Unfortunately, the return on investment would likely be negative, and while the course would become eminently more playable, it would be unlikely to translate into a significantly greater financial performance.

However, a much smaller investment, not exceeding \$150,000 within the next two years will contribute significantly to the sustainability of the asset. The following projects are recommended:

| Project Description | Cost |
|---|-----------|
| Securing permanent water source | \$75,000 |
| Expansion of driving range | 30,000 |
| Expanding fairway corridors with cooperation and participation of Oregon Fish and Game ¹ | 25,000 |
| Removal of non-native bushes | 20,000 |
| | \$150,000 |

The changes above will create a tangible value for the golf course, expand the revenue opportunities, and enhance the quality of the golf experience, making it more probable that the golf course should operate on a self-sustaining basis in the short-term.

We are therefore recommending that the City jointly participate by:

¹ On April 16, 2012, Curry Water and Soil Conservation District filed a 50 page application with Oregon Watershed Enhancement Board for a \$43,704 grant to enhance the Lower Chetco Habitat Development. If such grant were approved, Salmon Run Golf Course might be beneficiary by the removal of the non-native bushes which decrease the playability of the golf course.



- 1) Negotiating with South Coast Lumber to acquire the incremental acreage to expand the driving range.
- 2) Expediting the zoning approval process and construction permits to allow the range to be completed.
- 3) Providing equipment and labor to facilitate the removal of non-native bushes that infest the golf course.
- 4) Updating its web site to promote the Salmon Run Golf Course in its City Services, Park Department section.

It is the conclusion of this operational review that working in partnership with the third party company will jointly and mutually serve appropriately each entity's economic and civic interests.

Operational Review for Salmon Run City of Brookings

Analysis of regional and local trends in public golf, including supply and demand

Geographic Local Market Analysis

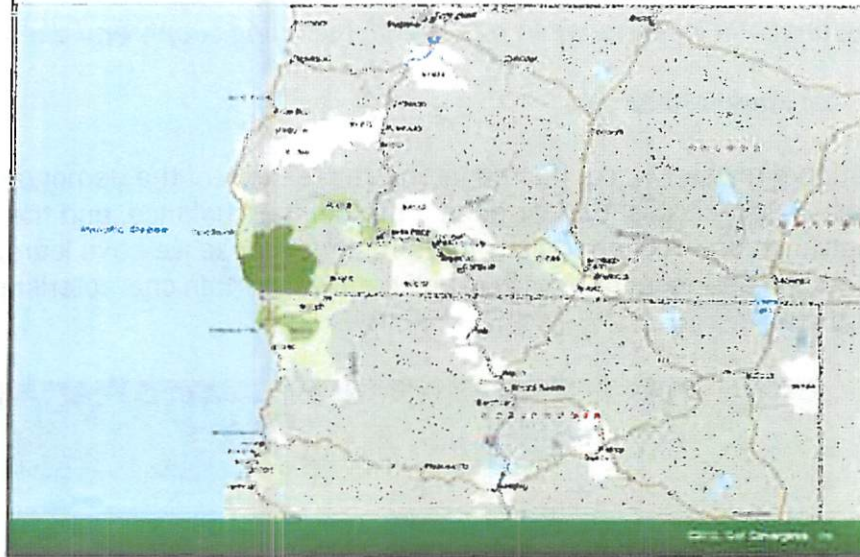
For this operational review, we conducted intensive research of the demographic trends, the local golfer base, supply levels, the current supply/demand balance, and the impact of historical supply dilution. This analysis is undertaken because we have learned from conducting strategic analyses for over 200 golf courses, certain characteristics, as highlighted below, are predictable:

| Just the Facts: Industry | |
|--------------------------|----------------------|
| 90% Rounds | 30 Minutes |
| 12% golfers | 60% revenue |
| Distinct Customers | 4,000: 4 to 7 |
| Barrier | Time |
| Defectors | 50% |
| Game | Caucasian, Rich, Old |

As an integral part of crafting this strategic vision, a 25-question electronic survey was emailed to 2,497 Salmon Run golfers. Two hundred twenty-two responses were received, and 94.1% of the respondents answered all questions. Thus, we are 90% confident, plus/minus 5% of the results.

Respondents were from the following areas:

Zip Code Distribution of Respondents



Based on the survey of golfers, it was enlightening to compare their responses and the statistics they represent to the responses and statistics gathered nationally.

Nationally, 90% of all golf rounds originate from customers who live or work within 30 minutes of the golf course. Nationally, golfers play 4 to 7 different courses. Brookings golfers play 7.4 courses annually.

For the City of Brookings, golfers indicated that they were willing to drive 49 miles to play a championship golf course.

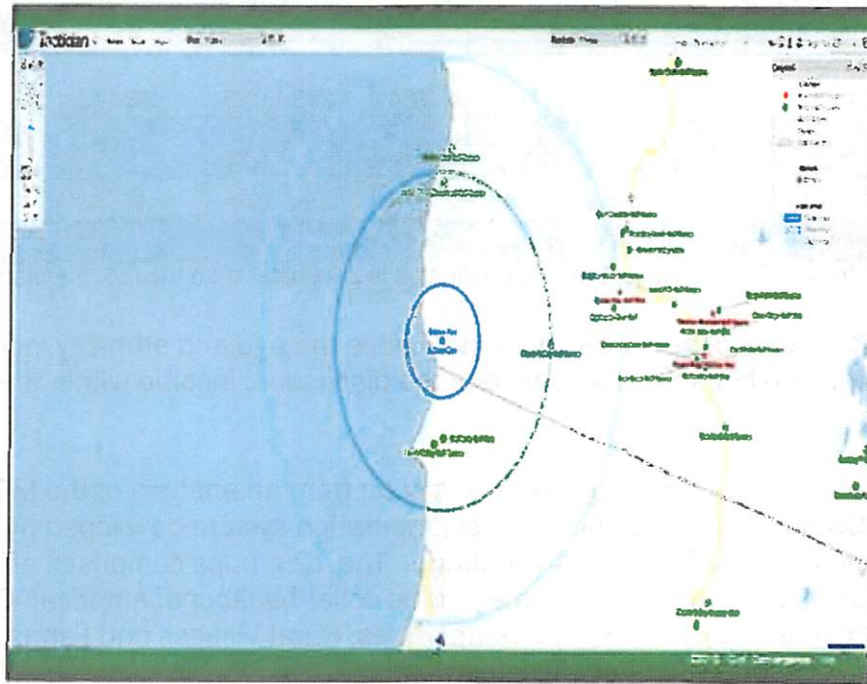
It is unique in that the season pass now offered by Bandon Crossings (\$400 for unlimited play plus \$12.50 for a cart), has attracted substantial interest from golfers living in Southern Oregon. This offer is an economic threat to the 2012 financial prospects for Salmon Run, as evidenced by this picture taken at Bandon Crossings, indicating that several Brookings' golfers had purchased season passes at Brookings but were observed coincidentally playing at Bandon Crossings.



Nationally, 12 percent of customers generate 60% of a course's revenue, and each course serves a median of 4,000 different customers who cite "no barriers" or "time" as the biggest barrier to more frequent play, as confirmed again in the City of Brookings. According to studies, we know that 50% of the customers who play at a facility in a given year will not return the next. Furthermore, we know that the game of golf largely attracts Caucasians who are rich and older than the general population.

Consequently, in determining the competitive forces surrounding Salmon Run, golf courses that are located within a 10/30/50-minute drive from the City of Brookings were evaluated.

The competitive map outlines the golf course within 30 miles of downtown Brookings.



Demand

The City of Brookings golf market is very unique. It is really isolated, with no convenient major air or interstate road access. (See Appendix 1 for a detailed demographic analysis of Salmon Run golf course.)

To undertake an operational review for Salmon Run, it is necessary to first measure the potential for each course individually, and second, to consolidate those financial projections to create a concentric perspective for the enterprise.

Presented below are the geographic local market demographics for the City of Brookings:



Operational Analysis

| Category | 10 | 20 | 30 | 50 | Oregon | U.S. |
|-----------------------------------|----------|----------|----------|----------|----------|-----------|
| Demographics | | | | | | |
| Age (Median) | 49.60 | 45.80 | 43.80 | 44.70 | 38.20 | 37.10 |
| Age (Index) | 134 | 123 | 118 | 120 | 103 | 100 |
| Income (Med Household) | \$34,550 | \$41,796 | \$38,809 | \$39,666 | \$50,928 | \$ 53,908 |
| Income (Median) | 64 | 78 | 72 | 74 | 94 | 100 |
| Disposable Income (Med Household) | \$30,768 | \$36,284 | \$34,073 | \$34,694 | \$43,163 | \$45,301 |
| Disposable Income (Median) | 68 | 80 | 75 | 77 | 95 | 100 |
| Ethnicity (% Caucasian.) | 89.10% | 82.20% | 81.90% | 85.80% | 83.60% | 73.90% |
| Ethnicity Index | 121 | 111 | 111 | 116 | 113 | 100 |

Note: An age index of 134 represents that the population is 34% older than the U.S. population.

These statistics measure very weak demand. While the age and ethnicity indexes are very position, the median household income and the disposable income within the Salmon Run trade area are very low.

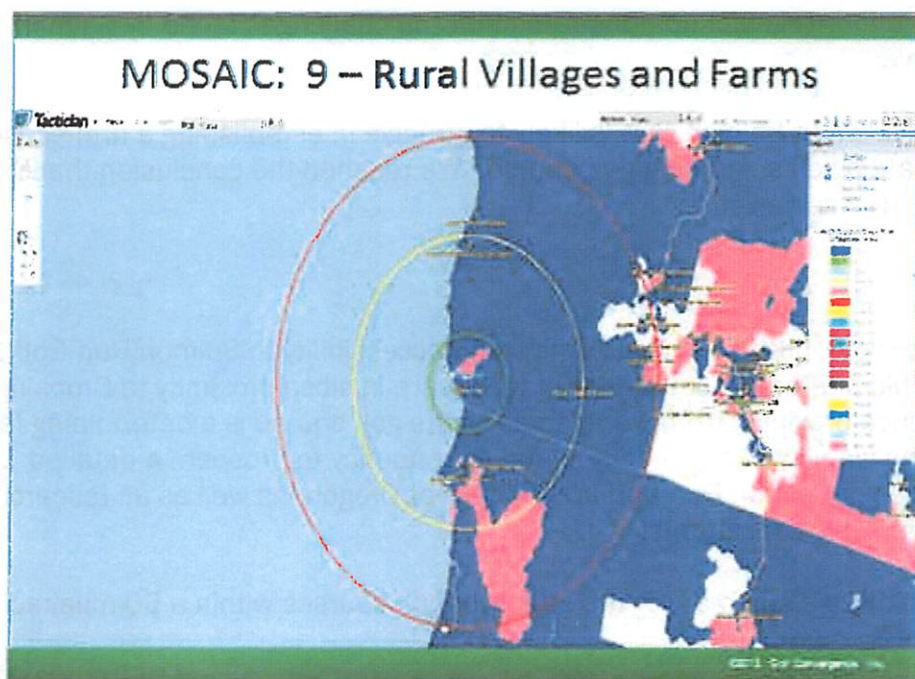
The unique nature of the Brookings market is seen from an analysis of the MOSAIC® lifestyle database. MOSAIC is a geo-demographic segmentation system developed by Experian and marketed in more than 20 countries worldwide. The 12 groups comprise: affluent suburbia, upscale American, small-town contentment, blue-collar backbone, American Diversity, Metro Fringe, Remote American, Aspiring Contemporaries, Rural Villages and Farms, Struggling Societies, Urban Essence and Varying Lifestyles.

These 12 classifications are based on a wide range of demographic characteristics displayed below:

| MOSAIC Lifestyle Database | | | | |
|---|-----------------------------|------------------------------|--------------------------------|---------------------------|
| 12 Lifestyle Groups: 1 st Most Golfers | | | | |
| Life Style Groups | Examples - 1 | 2 | 3 | 4 |
| 1 Affluent Suburbia | Americans like the best | High School Superstars | Enterprising Couples | Small town suburbs |
| 2 Upscale America | Disenfranchised consumers | Affluent urban professionals | Urban commuter families | Second generation suburbs |
| 3 Small Town Conservatism | Second City Homeowners | Prime Urban America | Suburban Commuters | Family Conservative |
| 4 Blue-Collar Blockade | Neuro Hispanic Families | Working Rural | Lower income exurban 2 | Small city residents |
| 5 American Diversity | Black Urban 20s | Urban Blues | Professional Suburbs | Native America |
| 6 Metro Fringe | Blended conservatives | Southern Blues | Urban Grit | Chasecocks living |
| 7 Remote America | Hardy Rural Families | Rural Southern Living | Coastal Creeps | Native Americans |
| 8 Aspiring Contemporaries | Young couple pairs | Suburban Metro communities | Stable owners | Aspiring Adolescents |
| 9 Rural Villages and Farms | Recreational country living | Americans Farmhands | Cosy country living | Hidden families |
| 10 Struggling Societies | Suggested style | Latino Mexico | Struggling City Centers | College from communities |
| 11 Urban Elites | Unattached Multicultures | Academic Influencers | African American Neighborhoods | Next Generation Academics |
| 12 Varying Lifestyles | Military Family Life | Major University Towns | | |

It is from these statistics that major chains such as Starbucks, Nordstrom, and Best Buy, determine where to build stores. The basic premise of geo-demographic segmentation is that people tend to gravitate towards communities with other people of similar backgrounds, interests, and means.

The vast majority of individuals who live in or near Salmon Run aren't part of the affluent suburbia and upscale American segments. For the City of Brookings, rural farms and villages make up the dominant MOSAIC profile as shown below:





Salmon Run Golf Course is not located within the demographics supportive of golf.

A final measurement of demand in a market is the avid intensity index. It calculates the number of avid golfers within a geographic local market versus the national average. For the City of Brookings, the facts are very not positive, as evidenced below:

| Avid Intensity Index | | | | | | |
|-----------------------------|----|-----|-----|-----|--------|------|
| | 10 | 20 | 30 | 50 | Oregon | U.S. |
| Intensity Index - National | | | | | | |
| Golf Intensity Index | 79 | 121 | 131 | 101 | 132 | 100 |
| Public Golf Intensity Index | 34 | 79 | 83 | 77 | 124 | 100 |
| Public Golf Intensity Index | 34 | 79 | 83 | 77 | 124 | 100 |
| Public Golf Intensity Index | 34 | 79 | 83 | 77 | 124 | 100 |

The public avid golf intensity index is 44% lower within the 10-mile radius of the golf course than in the nation. This fact demonstrates that the challenges faced by Salmon Run are in part uncontrollable.

The deduction is that Salmon Run is likely to struggle in establishing a firm economic base on which to create a self-sustaining golf course. We reached the conclusion that the original feasibility study was flawed.

Supply

When considering price, quality, proximity, and accessibility to Salmon Run Golf Course, golfers have few viable alternative courses to play that are in close proximity to Brookings, which is important, since proximity from work/home to the golf course is a determining factor in measuring the viability of a golf course and its tendency to prosper. A detailed list of courses within 50 miles of Salmon Run and in the State of Oregon, as well as all research deliverables, is listed in the Table of Contents.

Presented below is a summary of the supply of golf courses within a 50-mile radius of the Brookings area:

Supply of Golf Courses

| Supply of Golf Courses | US | CBSA 100 | Oregon | Salmon Run |
|------------------------|----------|----------|--------|------------|
| 18-Hole Equivalents | 14,882.0 | 7,370.5 | 171.5 | 4.5 |
| Public 18-Hole Equiv. | 10,593.5 | 4,777.5 | 133.0 | 4.5 |
| Private 18-Hole Equiv. | 4,288.5 | 2,593.0 | 38.0 | 2.0 |

Source: National

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While the above chart reflects the number of 18-hole equivalents, a standard measure of golf course supply within a local market, the segmentation of those courses by price point and public/private status allows for greater insight as to the potential of an individual facility. For the Brookings market, these statistics are presented below:

Profile of Oregon Courses

| Private/Public Mix | US | CBSA 100 | Oregon | Salmon Run |
|--------------------|-----|----------|--------|------------|
| Private/Public Mix | 27% | 33% | 21% | 0% |
| Premium/Value Mix | 25% | 25% | 28% | 0% |
| Premium >\$70 | 11% | 8% | 16% | 0% |
| Value \$40-\$70 | 33% | 42% | 40% | 33% |
| Price <\$40 | 56% | 44% | 44% | 67% |

Source: National

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Note: Price listed is based on a weekend green fee, inclusive of cart.

This chart reflects that the market for golf in City of Brookings has a dearth of high-end daily fee courses comparable to those often seen in other parts of Oregon and the U.S. This reflects the

low level of median household and disposable income. The market potential for a moderately priced golf course or higher is very weak.

Demand versus Supply – Is the Market in Balance?

To evaluate the economic potential of this golf course, it is appropriate to examine the demand demographics within a 50-mile radius of Salmon Run, measuring the number of avid golfers, total participation, golfing fees, and golf fees per round. These statistics for Brookings are presented below:

| City of Brookings – Course Comparison Golf Participation: (50 Mile Radii) | | | |
|--|----------------|-------------|------------|
| Demand | US | Oregon | Salmon Run |
| Avid Golfers | 5,830,900 | 88,363 | 1,695 |
| Total Golfers | 26,322,000 | 330,459 | 7,071 |
| Rounds Played | 498,326,240 | 3,236,374 | 116,425 |
| Rounds Played Locally | 279,190,432 | 1,759,230 | 65,219 |
| % of Rounds Played Locally | 56.03% | 53.74% | 56.02% |
| Rounds Played Per Golfer | 18.93 | 9.79 | 16.46 |
| Total Population +35 | 232,116,402 | 2,990,337 | 68,994 |
| Population | 307,156,296 | 3,878,133 | 86,223 |
| Golfing Households | 21,219,240 | 268,669 | 5,749 |
| Golfing Fees | 20,179,122,176 | 129,645,498 | 4,269,511 |
| Golfing Fees Per Household | 950.92 | 482 | 743 |
| Golf Fees Per Round | 40.45 | 40.06 | 36.67 |
| Avid Golfers/Total Participation | 1.90% | 2.28% | 2.20% |
| Golf Participation | 8.57% | 8.51% | 8.20% |

These demand statistics are measured against the supply of golf course to determine the relative balance of demand versus supply.

Despite the woes of many operators who insist that the Brookings market is vastly oversupplied with golf courses, that is not the case. Even though the market is slightly oversupplied with golf courses within 10 miles of downtown, the market is actually undersupplied within a 30-mile radius.

However, if the focus is narrowed to a 5-mile radius of each facility, the weaknesses in the City of Brookings' golf franchise are seen:

Demand Vs. Supply – Market Oversupplied

| Supply | 10 | 20 | 30 | 50 | Oregon | United States |
|----------------------|------|------|------|------|--------|---------------|
| Total Facilities | 1 | 2 | 3 | 7 | 193 | 15,869 |
| # Market in Balance | 0.79 | 1.94 | 2.81 | 4.84 | 226.04 | 18,882 |
| Golfers Per Facility | 311 | 326 | 342 | 371 | 489 | 347 |
| Public Facilities | 1 | 2 | 3 | 7 | 152 | 11,603 |
| # Market in Balance | 0.56 | 1.38 | 1.86 | 3.44 | 160.90 | 11,594 |
| Golfers Per Facility | 311 | 326 | 342 | 371 | 582 | 508 |

Note: This calculation is meant to measure the **relative strength and potential** within 50 miles of each golf course. Because the calculation is based on the number of avid golfers and doesn't weigh the relative importance of age, income, ethnicity, or general population density, it would be inappropriate to conclude an actual number of courses that should be built or closed.

The supply versus demand figures presented reflect that there is only a need for 4.84 golf courses within fifty miles of Salmon Run, contrasted with the seven currently in operation. The market is oversupplied, which is confirmed by courses like Cedar Bend, in Gold Beach, which is also facing challenges.

However, Salmon Run is clearly the most superior golf course within the 50-mile radius. Thus, it is important for the City of Brookings to provide a valued recreational golf experience to its citizens and a tourist attraction along the Southwest Oregon coastline.

Weather Impact Study

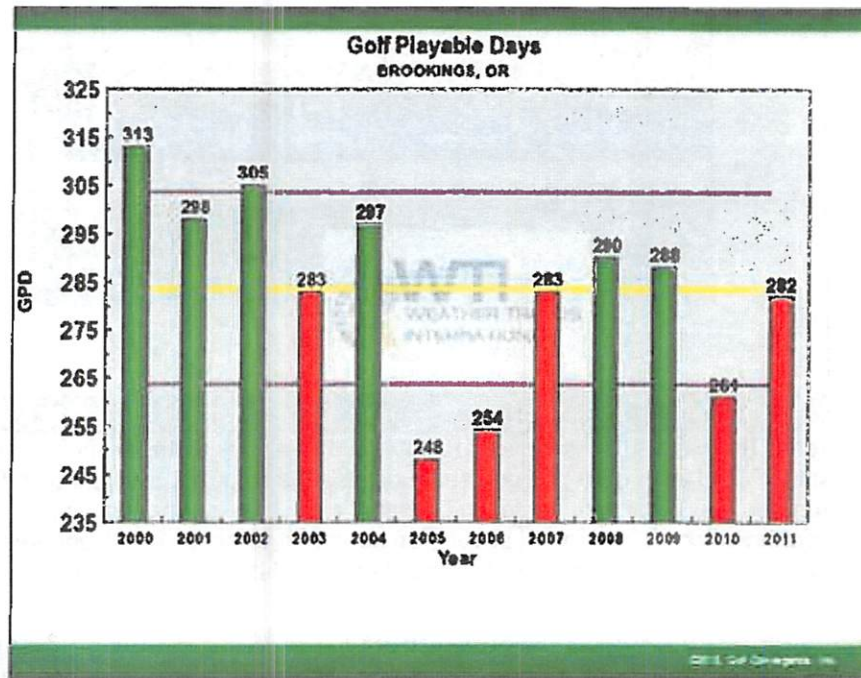
The axiom that "if rounds are up, it's because of good management and if rounds are down, it's because of bad weather" is a standard joke, but golf is an outdoor sport. Experts estimate that over 90% of rounds are played when the temperature is between 55 and 90 degrees.

Monitoring the number of playable golf days in a year compared to a 10-year trend allows an analyst the opportunity to filter the financial information to clearly differentiate between the impact of weather and the impact of management on a course's performance.



Annual Golf Playable Days

In 2010 and 2011, and in five of the last 7 years, the amount of playable days at Salmon Run was significantly below Brookings's 10-year average. That is very comforting and provides insight as to an uncontrollable factor in the decline in golf course gross revenue. On average, there are 283 playable golf days per year in Brookings, as illustrated below:



Based on this chart, and the knowledge that weather to date for 2012 has been very favorable, it would be reasonable to expect a resurgence of revenue in 2012. This forecast would support a capital investment to enhance the players' experiences, further accelerating the revenue growth.

If the weather pattern returned to "normal," what could be expected in revenue growth? The answer is encouraging, as charted below:

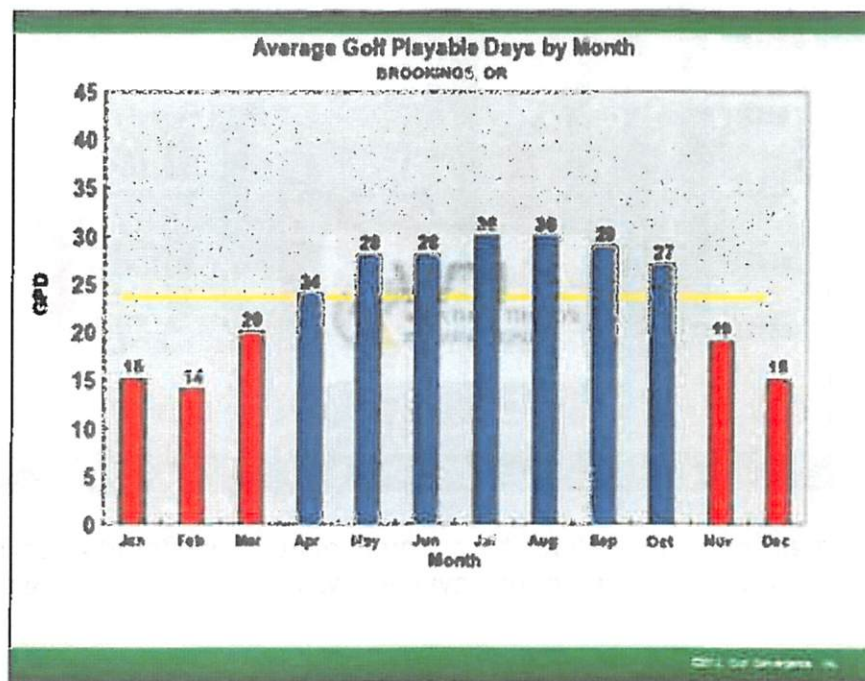
| Description | Amount |
|---|--------|
| 10 Year Average Playable Days | 282 |
| 2008 - 2011 Playable Days | 272 |
| Unfavorable Weather Last 7 Years | 10 |
| Revenue Per Playable Day | 2,127 |
| Potential Incremental Revenue from Normal Weather | 21,270 |
| % Increase in Revenue | 3.5% |

It would not be unexpected for revenue to increase from the \$4.2 million achieved in 2011 to over \$4.5 million in 2012, if the weather pattern represented the 10-year historical average.



Viable Operating Season

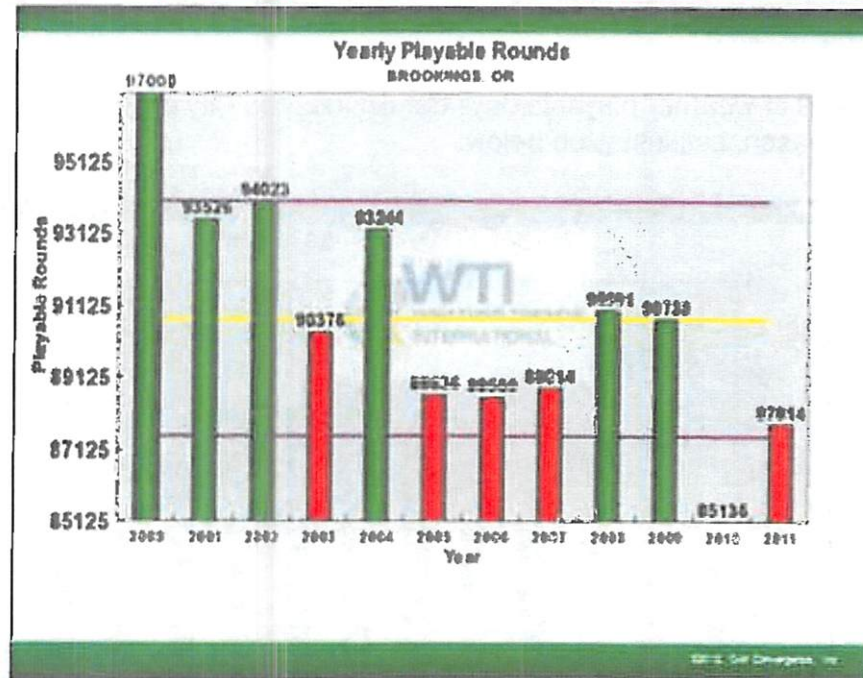
A second analysis of weather playable days determines the City of Brookings effectively has a 12-month golf season, as illustrated below:



A golf facility that is open 12 months per year, while it provides the greatest revenue potential, is limited in its use of seasonal workers, who usually can be hired for lower wages. Therefore, controlling salary expenses will be an ongoing challenge as to the need to have staff available from November through February should the weather be conducive to golf.

Yearly Playable Rounds

A third analysis has been undertaken to determine the efficiency of management, this by comparing actual rounds played to the course's theoretical capacity based on weather patterns.



The capacity of a golf course is defined by its potential number of starts from sunrise to two hours before sundown on the number of playable days available, presuming a starting interval of 8 minutes.

In contrast to the airline and hotel industry, in which utilization exceeded 70% in 2011, the utilization of the golf course industry was 52%. Rounds at Salmon Run in 2010 and 2011 were 16,621 and 15,357, respectively. Thus, the 17.5% utilization at Salmon Run was far below industry averages, which typically and at Salmon Run result from the following:

- 1) Adverse golfer demographics
- 2) Supply exceeding demand
- 3) Value proposition: the price exceeds the experience, resulting from the difficulty of the golf course.



The Physical Assets – Resources on Which to Grow

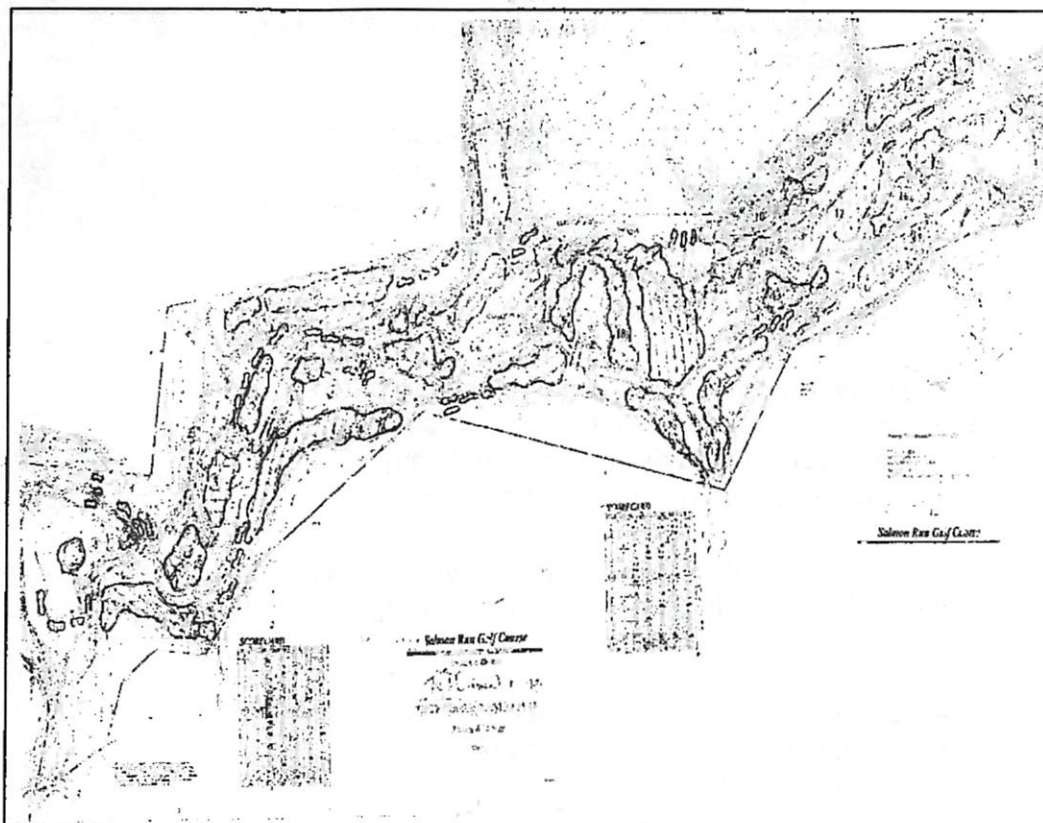
Salmon Run is a 6,284-yard, par-72 golf course with a slope rating of 132 for the men and 151 for the women. The average slope rating for U.S. golf courses built since 1980 is 127. This indicates that Salmon run would be considered a “difficult” golf course suited for the accomplished golfer rather than the new entrant to the game.

The Golf Course Master Plan

Presented below is the master plan for the golf course. The golf course lies in a valley with various creeks, (Hamilton, Jack, Jordan) flowing through the property.

As an integral part of this operational review, an on-site examination of the facility was conducted. See Appendix 6A for a photo essay reflecting the current conditions observed.

The golf course has numerous challenges, including the following, which are not easily correctable:



- 1) Length of course, at 6,274 yards, is considered “short” by today’s championship standards.
- 2) Lack of a permanent water source.
- 3) The position of the 1st tee puts cars in the parking lot in jeopardy of being hit.
- 4) The fairway corridors and green entrances on holes 1, 3, 5, 6, 8, 9, 10, 11, 13, 14, 16 are





hampered by trees.

- 5) The ability to trim foliage or trees without governmental permission, this to ensure that the water temperature is not impacted, to protect the spawning beds for steelhead trout and Coho salmon.
- 6) Presence of non-native blackberry bushes along many creek beds.
- 7) Clay-based construction of fairway results in soggy and unplayable fairway during the rainy season.
- 8) Each time the golf course receives more than two inches of rain within a 24-hour period, portions of the course are likely to flood and the fairways likely to be saturated.
- 9) Inadequate driving range.



Although the investment in the golf course to date exceeds \$9.3 million, it is regretful that many of these issues could have been avoided if, in our professional opinion, a qualified construction contractor and experienced golf course architect had been retained.

To resolve these issues would require more than \$2.5 million which would include acquiring additional land, building three new holes, and repairing the underlying course drainage issues.

Unfortunately, the return on investment would likely be negative, and while the course would become eminently more playable, it is unlikely to translate into a significantly greater financial performance.

However, a smaller investment, not exceeding \$150,000, might be made through the allocation of City resources and the capital contribution of the lease that would dramatically improve the playability of the golf course and create value.





| Project Description | Cost |
|--|-----------|
| Securing permanent water source | \$75,000 |
| Expansion of driving range | 30,000 |
| Expanding fairway corridors with cooperation and participation of Oregon Fish and Game | 25,000 |
| Removal of non-native bushes | 20,000 |
| | \$150,000 |

Based on the projected investment compared to the small short-term potential return, undertaking this capital improvement project is problematic for a City with limited financial resources. However, it is suggested that some progress could be made by using excess labor resources that may be available and the equipment belonging to the City of Brookings to enhance the golf course for the benefit of its citizens and tourists.

The need to undertake this work was underscored in the Curry Water and Soil District application to the Oregon Watershed Enhancement Board on April 16, 2012 which included the following description of challenges at Salmon Run Golf Course:

"Salmon Run Golf Course occupies most of the Jack Creek valley, including portions of Hamilton Creek and Jordon Creek; the two prominent Jack Creek tributaries. When the course was constructed in the late 1990's wetland habitat was isolated from Jack Creek and/or converted to ponds, and multiple small stream channels were re-routed or incorporated into the course layout. Specifically, a large wetland near the downstream end of the valley (Hole 4) was partially converted into a pond, and the fluvial connection to Jack Creek was altered; potentially impeding fish migration into and out-of this important rearing habitat. A small wetland and tributary adjacent to Hole 3 were also impacted, such that neither provide quality rearing or spawning habitat. A road-stream crossing culvert near the confluence of Hamilton and Jack Creeks is also acting as an impediment to fish migration, particularly for juveniles and pre-smolts. Riparian areas along Jack Creek and its tributaries are in moderate condition, but Himalayan blackberry are widespread and will likely degrade the riparian area as short lived hardwoods, such as red alder, reach maturity and die out. As mentioned above, Jack, Hamilton, and Jordon Creeks constitute the greatest length of high IP habitat in the Chetco watershed."

It is encouraging that some mitigation to Salmon Run's playable issues might be resolved if the project estimated to cost \$95,841 is funded.

The Current Market Value of the Golf Course

A golf course in the United States is valued based on different valuation methods. Without the golf course having a secure water source, the market value of the property as a golf course is negligible. The property is worth, in our professional opinion, only slightly more than the raw value of the land. This valuation would consider the infrastructure created by the buildings and an irrigation system.

If a water source were secured, the value of the golf course would be based on one of the following criteria:



| Criteria | Current National Index |
|-----------------------|------------------------|
| Gross Revenue | 1.6 |
| Net Income Multiplier | 8.1 |
| Discount Rate | 14.4% |
| Capitalization Rate | 11% |

Based on current financial performance, the golf course would be valued at up to an estimated \$1 million.

Current Water Sources Requirements and Sources

Enhancing the value of Salmon Run is predicated on securing a permanent water source. Annually the golf course requires the following water:

| | |
|-----------------------|------------|
| Gallons per day | 250,000 |
| Days watering | 120 |
| Total Gallons | 30,000,000 |
| Gallons per acre feet | 325,851 |
| Acre foot | 92.07 |

Currently the golf course's water needs are met by leasing for \$2,500 annually, as lease secured by a "handshake" agreement with Freeman Rock and Gravel and the third-party contractor. The water originates from the Chetco River, based on a water permit owned by the Freeman Company. The water is stored in a well and transported across the Freeman property. It arrives at the property's entrance near the 4th green.

The City currently has water rights, covered by Permit 51383, to divert one cubic foot per second from the Chetco River at a point approximately 1/4 mile west of the property. The approved diversion represents 1.984 acre feet of water per day, or during the golf season when water is required, 238 acre feet has been authorized for withdrawal, far less than what is required by the course.

Permit 51383 authorizes diversion from March 1 through June 30 each year, with the allowance that the storage of **62.3 acre-feet per year in up to 10 small ponds** on the golf course. There are other stipulations, including that a certificate will be issued when diversion of water begins. Separate permits are required if river water is intended for uses other than irrigation, such as storage for future use or maintaining the water level in the lakes.

To divert the water, a pipeline along the County road would be needed between the site and diversion point, as illustrated in the adjacent engineering diagram.

A permit from the County Road Department would be required, though a 270-foot water line easement exists between the river and the road.



In addition, the Golf course obtained a water rights permit to drill 5 wells. The results were mixed, as noted below:

- ◆ 3211: Well just west of #9 pond was tested around 2005 and found to be of no use.
- ◆ 3212: Old well casing on #12 west of 150-yd. marker. Casing is plugged with dirt.
- ◆ 3213: Just east of the cart path is a well casing covered over years ago.
- ◆ 3214: Well casing in the rock quarry. Drilled in 1999, they went down approximately 65' and hit salt water. The well is actually on South Coast land.
- ◆ 3216: Well used for clubhouse drinking water. Located in the driving range.



The Rationale and Motivation for Finding a Permanent Solution.

The following facts lead to the conclusion that the City of Brookings should be interested in a solution that entices the current owner of the golf course to stay the course, with some investment on the part of the City to help assure that result.

1. The City does not want to own the Golf Course and the attendant operating loss liability.
2. The Golf Course is a valuable asset for the community as an additional tourism draw, and should generate ancillary revenue for the local economy.
3. Having a golf course raises the profile of the city and provides a popular recreational amenity for its residents.
4. The ongoing operating risks of the Golf Course are significant.
5. The improvement needs of the Golf Course are many, and they include:
 - a. Long-term water solution
 - b. Legitimate driving range
 - c. Golf Course playability issues including
 - i. Tees – Size and condition
 - ii. Fairways – Size, site lines, width
 - iii. Greens – Drainage, grassing
 - iv. Bunkers – Add more? Eliminate some or all? Better sand
 - d. Clubhouse



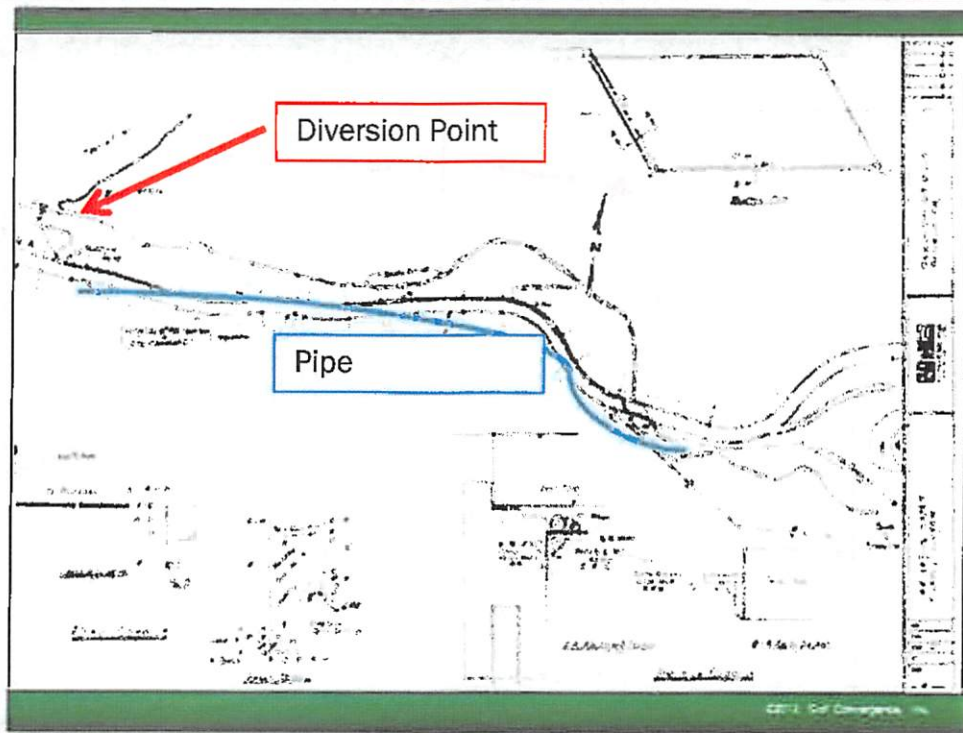
6. Rent revenue to the City as scheduled is minimal. \$30,000 to \$55,000 in first seven years once Golf Course can start paying rent. The value to the City of having the Golf Course exceeds the rental income.
7. The City is in a unique position to help solve the number-one major risk to the Golf Course, a reliable water source.
8. The City Manager's memo dated November 23, 2011, references a water analysis that was attached to the CUP, and the City Manager contemplated using water from the City's permit to draw surface water from the Chetco River.
9. According to the same memo, a proposal was made by the City Engineer in 2009 to undertake a study of water solutions.
10. Two wells on the site are owned by the City.
11. The city has spent several thousand dollars studying the legal issues surrounding a solution to the water issue.
12. The Golf Course General Manager, Ed Murdock, has estimated a cost of \$75,000 to put in the infrastructure to get water from the Chetco to the Golf Course, with most work being done by Golf Course personnel

Therefore, it is our recommendation that the City and the Golf Course Lessee cooperate to identify a solution which will assure the availability of adequate water during the dry summer season. The solution will need to be sensitive to the capital costs and resolve the allocation of those costs. The timing of any draw down from the Chetco River and storage will be important considerations.

Securing a Permanent Source—Two Solutions

As part of this operational review, we examined alternative ways to secure a water source, and we believe that there are two solutions available:

- 1) Diversion of Water near Jack Creek and the Chetco River, as highlighted below:



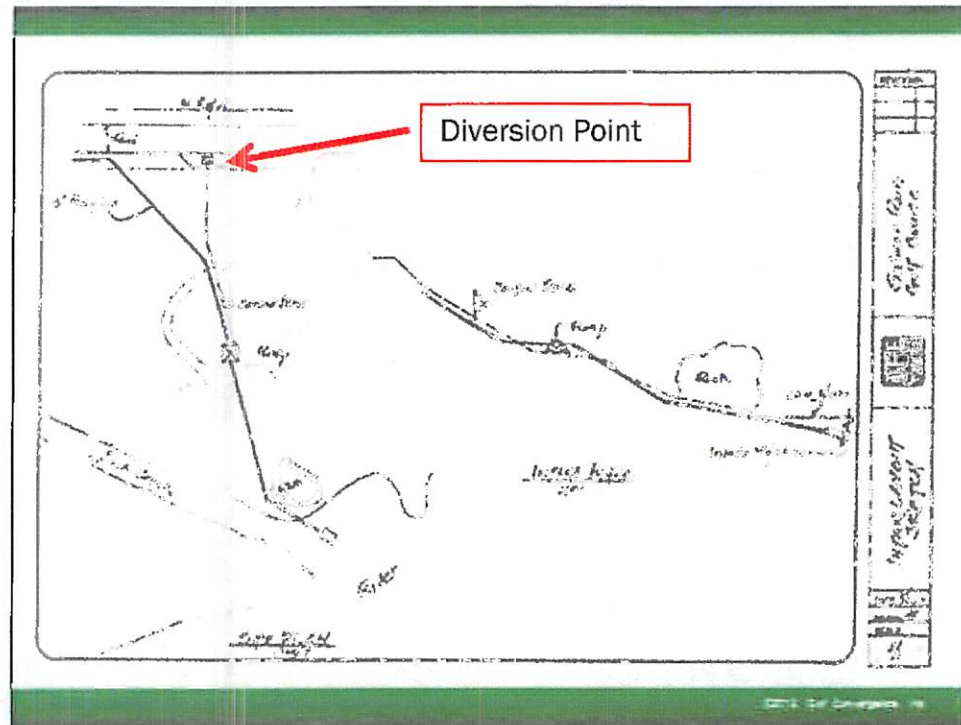
This solution would cost an estimated \$75,000, as confirmed by Tor Flatebo, a Gold Beach Civil Engineer and Armen Suny, a resource retained by Golf Convergence related to this study. A pump and pipe $\frac{3}{4}$ mile from the diversion point to the golf course would be required, as illustrated below:

A 270-foot water line easement exists between the river and the road. A picture of the diversion point is shown here.

Note that a certificate will have to be issued when diversion of water begins and that separate permits would be required if river water is intended for uses other than irrigation, such as storage for future use or maintaining the water level in the lakes.



Further, a pipeline along the County road would be needed between the site and diversion point, as illustrated below:



A picture from the diversion point towards the golf course is adjacent.

How is this capital improvement financed? It is our recommendation that the capital be invested by The Claveran Group LLC in exchange for an abatement of rent.

It is hoped that a solution for a long-term water source and mid-length rent abatement will encourage the Golf Course owner to stay the course and make the necessary golf course improvements over time to enhance the economic viability of the property.



2. Negotiation with Freeman, diverting City's water resources into well.

Freeman Rock, Inc. has a water permit (Number 33453) that authorizes 41.4 acres of irrigation from the well. As part of this operational review, we received counsel that it would be legally possible for Freeman to continue using the well for his own purposes while also using it for the golf course.

To achieve such use would require going through an approval process with the state, and entering into some kind of well-sharing agreement with Freeman.

The research performed indicated that the State would approve this request to add the Freeman well as an authorized point of diversion for the City's existing Chetco water rights.



Freeman Rock, Inc. would benefit from such an agreement by enhancing the residential real estate value, obtaining an annual lease fee for convenience/access.

This is a second option to secure a permanent water source for the golf course.

A Capital Improvement that would further enhance the value of the golf course

An additional capital project that would cost up to \$30,000 would be the expansion of the driving range, pictured here:

South Coast Lumber, we understand, has agreed to graciously donate the additional land subject to their ability, to remove the timber for their core business.

This improvement will require County zoning and approval, which is highly encouraged.





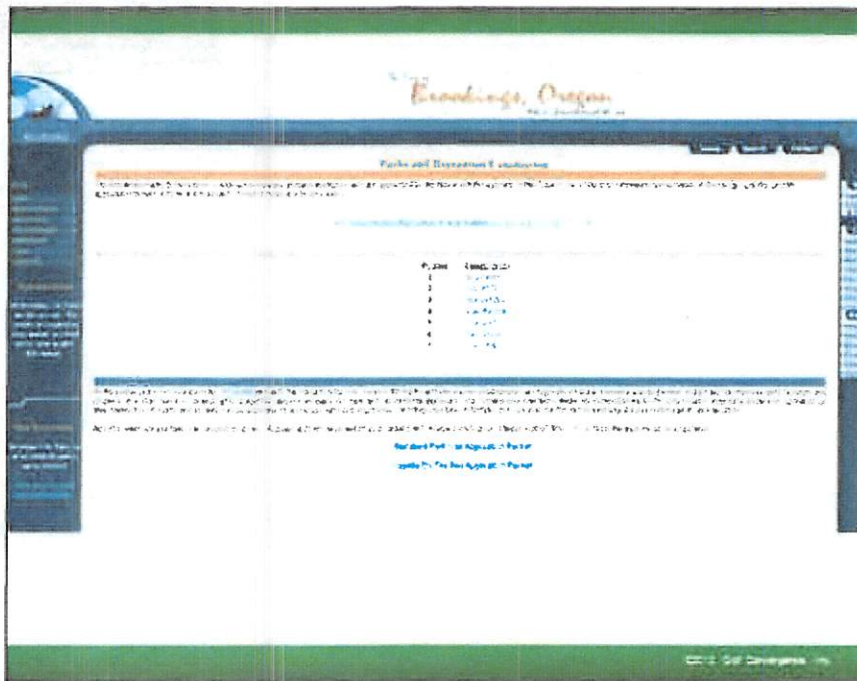
Market Positioning

Ineffective Use of Technology Dilutes Brand

A fundamental test for any business is identifying who its customers are and what they are spending. Thus, we reviewed the use of technology by analyzing the golf course's internet use, the integration of tee time reservations with the POS, and the deployment of email-based communication.

The Lessee utilizes a superior golf management software program provided by the Chicago based firm, Fore Reservations. The ability to build a customer database and the executive reports available within the system are superior. The marketing analysis system that automatically generates emails to golfers based on pre-defined events is marvelous.

The success of Salmon Run, we believe, should be based on a partnership between the City, as landowner, and the private contractor. Interestingly, we noted that the golf course is not promoted on the City's web site, as shown below:



This site serves little purpose and is very ineffective. At a minimum, links from the City web site to the golf course Web site should be created.

The key to market positioning is establishing strong, exclusive brand recognition. This could be occurring more effectively for Salmon Run. One might address the ineffective use of title and meta tags in promoting the golf course and the use of a *.net vs. *.com as the primary url. It appears that much information is below the fold, and that the tee time reservation is a separate application from the primary web site. The real concern is that the golf course opened in 2000 and has only been able to build an email database of 1,250 valid addresses.



The fact that Salmon Run is not listed on the City's web site causes great concern, and we believe that this omission is diminishing the value of the City's golf franchise. The current positioning raises the following questions:

- 1) Who owns the Salmon Run customer information –the City or the third-party provider? In a recent national survey conducted by Golf Convergence, a database of customers was valued at 12% of gross revenue. Is the City willing to forfeit intangible property worth in excess of \$75,000 to the lease merely because they assert ownership to the City's golfer information?

The lease signed with the current private contractor is silent regarding customer database ownership in this landlord/tenant relationship.

- 2) To what extent can the third-party provider use that database to market other golf courses from which they might derive an economic interest?

With the contract being a lease, the consequences are dire. The City of Brookings, upon termination of the lease, is left with no information regarding golfers' playing frequency and spending habits. The City would lack any demographic information regarding course customers and would have no ability to contact them via email. In essence, the City would be placed at serious disadvantage in continuing to operate that golf course in any way, whether through internal management or the retention of another firm.

In essence, if the ownership of the intellectual property is not defined in a lease agreement, the City of Brookings is unlikely to be able to afford the economic loss from terminating the contract and having to create its own customer database from scratch.

Intellectual Property Threatened

Course owners who enter into a management agreement do so to optimize their investment return from the operation of that facility, recognizing their own organizational strengths and weaknesses. They are providing a third party the opportunity, through that firm's expertise, to profit – but not at the long-term expense or detriment of the owner. The golf course owner hopes the relationship is mutually beneficial.

The unintended consequence of the evolution of technology is that the City of Brookings actually placed itself at a significant disadvantage by using a third-party management company.

We believe that the City of Brookings has a unilateral ownership of not only their tangible assets (course, clubhouse, etc.) but also their intellectual property and intangible assets (customer database information, brand image, etc.).

The City of Brookings would be well-served to retain legal counsel for addressing comprehensively the ownership of intellectual property prior to entering into any management



agreement. It is therefore recommended that the City's internal counsel be engaged to resolve this matter in 2012.



Customer Survey

In creating an operational review, it is vital to understand the golf industry and the unique characteristics that define the sport.

Presented below are some statistics regarding golf in the United States provided by the National Golf Foundation:

- There are 26.2 million golfers in the United States.
- 36.7 million Americans are golf participants, defined as anyone ages 5 and above who either played a round of golf or visited a golf practice facility.
- More than 45 percent of golfers (11.9 million) are between the ages of 18 and 39. Seniors (ages 50 and over) comprise another 33 percent, or 8.6 million.
- There are 5.76 million female golfers, which is 22 percent of all golfers. There are 6.1 million juniors.

There are 16,057 facilities, 11,690 of which are open to the public.

- Only 22 percent of all golfers regularly score better than 90 for 18 holes on a regulation-length course. For females, the percentage is just 7 percent...and for males it is 25 percent.
- The average 18-hole score is 97 for men and 114 for women. It's an even 100 for all golfers.
- The average scores have changed very little over the years.

In conducting an operational analysis, it is invaluable to obtain a current perspective of the customer database by identifying customers' ages, genders, net incomes, ethnicities, playing frequency, favorite golf courses, and price point barriers. The key point being measured is the opportunity to increase current market share.

We conducted a survey of the golfers in the City of Brookings

The survey remained open for 14 days, generated 222 responses, and provided a 90% confidence factor and a margin of error on the results of 5% +/- . The completion rate for those starting the survey was 90%, an acceptable average that suggests the survey was well-constructed.

Who Is the Brookings Golfer?

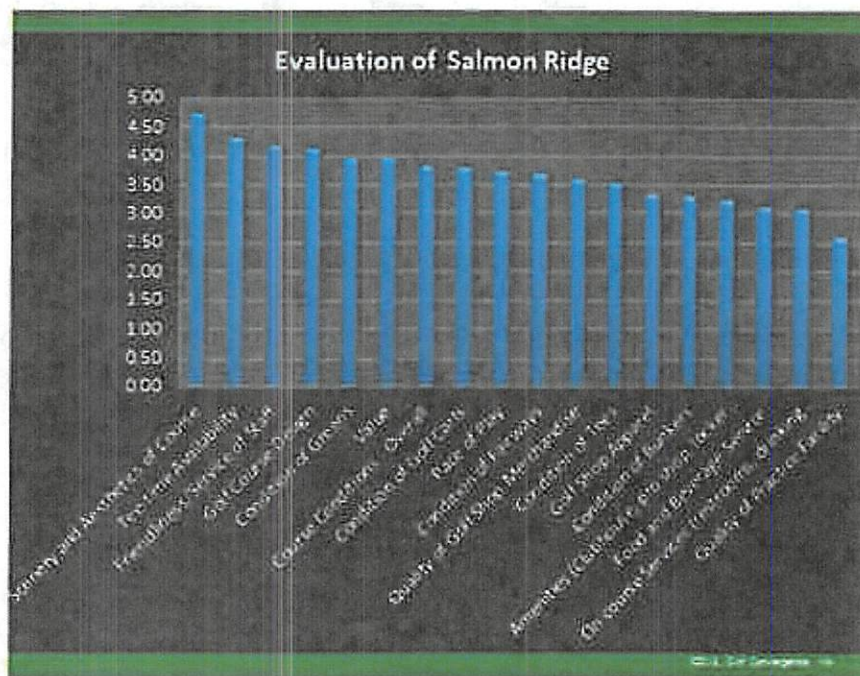
The geographic local market analysis performed in Step 1 of the Golf Convergence WIN™ formula indicated that the City of Brookings' golfers were likely to be Caucasian, slightly older, and with above average income. The survey confirmed that fact.

The respondents average 57.1 years of age, have median household income of \$75,691 (nearly twice the average income of a Brookings resident), are 77% male and 92% Caucasian, and play 24.4 rounds annually.

Three factors stand out. The median household income of golfers in Brookings is double the average income of a Brookings resident. They play more rounds of golf than most players, and a slightly higher percent of woman play golf in Brookings than nationally. This profile of largely retired or near-retired golfers indicates that there will be a great price sensitivity and that the ability to obtain the full price for the experience provided will be a challenge.

What Do Golfers Like about the City of Brookings' Golf Course?

The golfers were asked to rate 21 attributes of Salmon Run Golf Course. What always surprises us about these surveys is that the golfers always get it right. Presented below is a comparison of each course based on these factors:

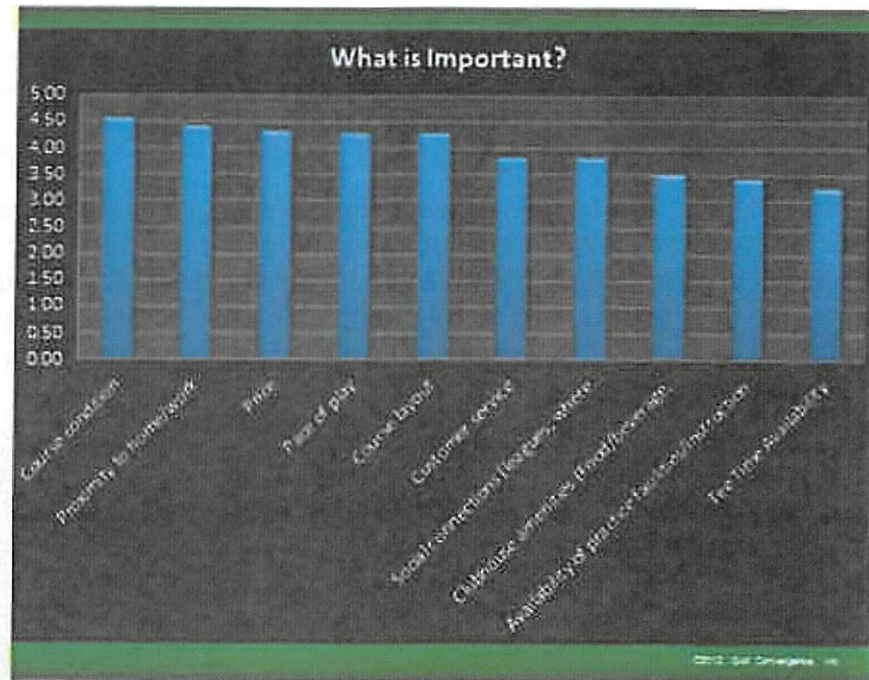


The scenery and aesthetics and the tee time availability were rated high. Course conditions, driving ranges and practice facilities, clubhouse renovations, and food quality were cited as deficient.



What Is Important?

When asked, "What factors are important to you in selecting one course over another, the results of the City of Brookings survey was consistent with other surveys conducted by Golf Convergence and by leading trade organizations such as the Golf Course Superintendents Association of America. Conditioning and value (price/experience delivered) predict success, as shown below:



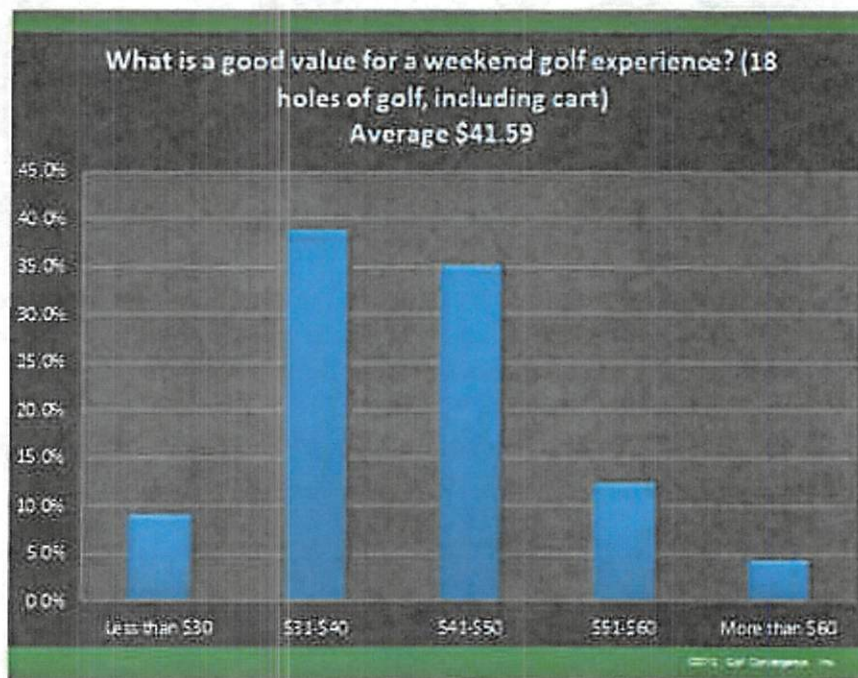
Since a large part of the "experience" equation is the conditioning of the golf course, this should be no surprise. Of concern is the fact that the survey respondents ranked "price" as the most important criterion for choosing what course to play.

Golfers often maintain that if the prices were lowered, the increase in rounds would offset the lower fees. Such a trade-off is perilous, as noted in the chart below:



| Decrease in Price | Number of Additional Rounds Required to Offset Discount |
|-------------------|---|
| 5% | 5.26% |
| 10% | 11.11% |
| 15% | 17.65% |
| 20% | 25.00% |
| 25% | 33.33% |
| 30% | 42.86% |
| 35% | 53.85% |
| 40% | 66.67% |
| 45% | 81.82% |
| 50% | 100.00% |

While discounting makes little economic sense, because the golf course only achieves 50% yield on the rack rate advertised, it is our recommendation that the "rack rate - prime time on weekends" be slightly lowered, with further discounting eliminated. Considering that the median household income reported is \$75,691, a rate increase could easily be absorbed by the constituents, even though the rack rate is 50% higher than what the customer perceives as a good value for a weekend golf experience.



Value is made up of many components, and the value formula is straightforward. To the extent that the customer experience exceeds price, loyalty is created. When the price exceeds customer experience, loyalty is lost.

Thus, while conditioning remains a dominant factor, being able to play quickly on the day and time desired continues to highlight the fact that we function within a time-crunched society. The City of Brookings has the opportunity to profit by focusing on scenery and aesthetics as well as tee time availability, based on the central location of its facilities.

Key Benchmarks

Knowing who your customers are, their spending preferences, and their playing frequency is fundamental to maximizing your net income, increasing your operational efficiency, and enhancing your customer service. This knowledge is the essential foundation for a meaningful marketing program. Without this information, most golf courses greatly minimize their revenue opportunities.

A leading golf course management company² that serves more than 100 public golf courses has identified certain predictable characteristics:

- 1) A golf course, on average, has 8,000 distinct customers, from a minimum of 3,500 to a maximum of 11,000.
- 2) 10% to 20% of those customers are "initiators" and make the tee time.
- 3) 50% of those customers play the course merely once per year.
- 4) 50% of those who play will not return next year.
- 5) Only 13% will play six or more times.
- 6) Customers average six rounds played at a specific course per year.
- 7) A golf course will have a 20% wallet share of core golfers who play 40 rounds per year.
- 8) Customers become at risk of not returning when they haven't played your course in 90 days.
- 9) The response rate from customers offered a 20% off coupon, a 10% off coupon, or merely receiving acknowledgement that they are missed is nearly the same.

It is fair to conjecture that golfers at the City of Brookings have comparable profiles, except that this golf course probably serves only 4,000 distinct customers annually.

However, because the POS system is not properly utilized, measuring any of the key metrics is not possible at this time.

Salmon Run has the technology to create the critical information needed to effectively manage its golf courses, but the staff is apparently untrained, and perhaps unwilling, to use the software correctly.

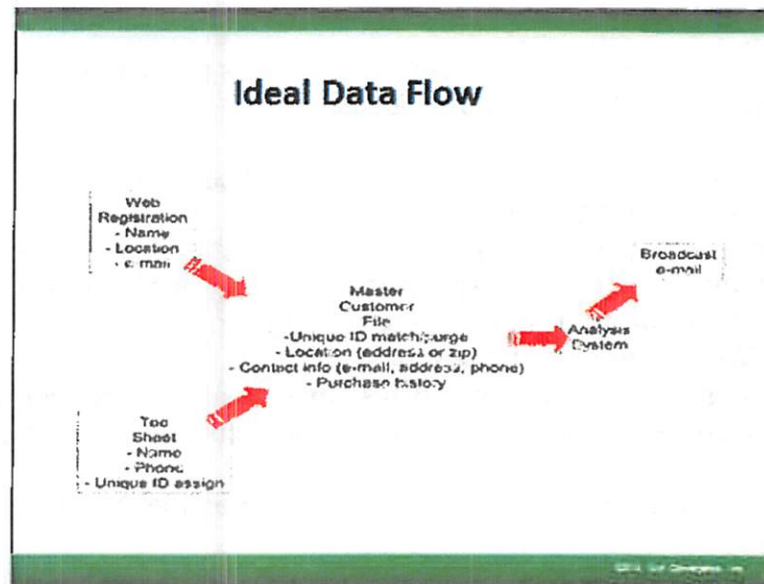
What is the rationale for this recommendation? The formula to profitably operate the course is simple and consists of the following steps:

- Create a customer database.
- Integrate the Tee-Time Reservation System with POS.
- Issue identification cards and/or capture golfers' email addresses.
- Communicate with your customers via an opt-in email marketing program.
- Display tee times by best available time or price (maximum two times displayed).

² Peter Hill, Billy Casper Golf Management, "Programming for Profit," February 4, 2009 presented at NGCOA Multi-Users Conference.

- Center a marketing focus on your website.
- Develop a consolidated reporting system, and monitor the 15 key management reports.

As noted in the list above, the golf course is still a long way from ideal in its utilization of technology. The ideal system will have the following components:



An online registration system integrated into the POS system can identify specific golfer interests, such as last-minute tee times, tournaments, and other course activities.

Salmon Run will also be able to engage in Customer Franchise Analysis to identify retained customers, defectors, and new acquisitions. Targeted messages to appropriate golfer segments can be automatically created and delivered monthly. *(Note: as a general rule of thumb, a course should only send an email to its entire list of golfers two or three times per month.)*

The correct deployment of technology will yield the following benefits:

- Maximize Revenue
 - Web-based marketing presence
 - Reservation cards sold for premium access
 - Dynamic yield management
 - Create a distinct Salmon Run Golf Course brand
- Increase Operational Efficiency
 - Better internal control
 - Timely and more meaningful reporting
 - Elimination of repetitive tasks by staff



- Enhance Customer Service
- 24-hour access to tee-time reservations
- Email communication of promotions, tournaments, and updates
- Sell prepaid gift cards online

Also, the management and staff should be encouraged to attend the annual Fore Reservation user meeting.

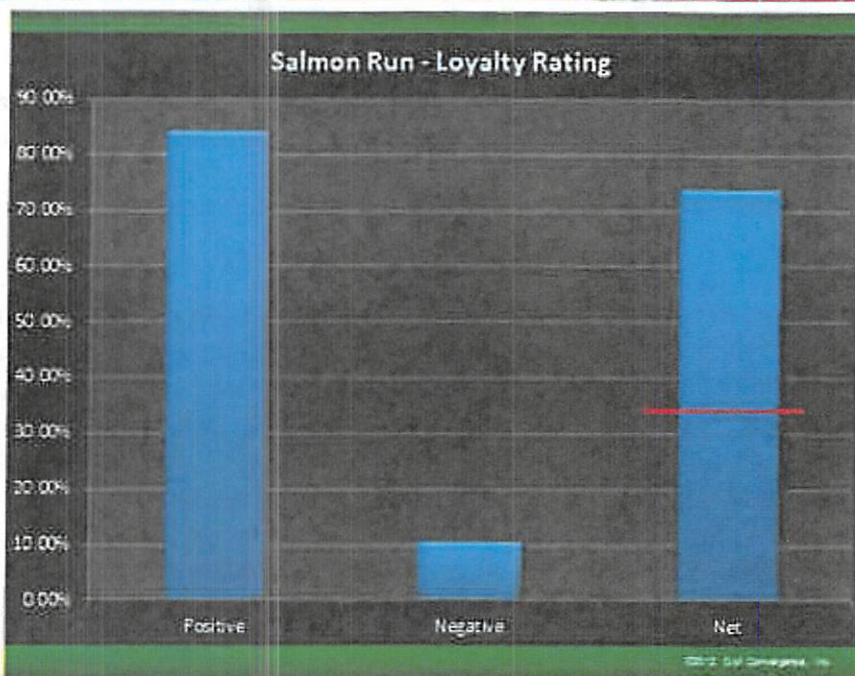
In conclusion, the proper use of technology is to create a management and marketing advantage. The creation of a unique selling proposition (such as affordability) that is communicated to the existing customer base will boost revenues. This can only be done effectively if technology is properly installed and utilized.

Customer Franchise Analysis

The customer franchise analysis (CFA) provides operators with the first tool to win the share-of-golfer battle caused by the current oversupply environment in many markets. The CFA leverages information in the operator's point-of-sale (POS) or electronic tee sheet system to understand and target key customer groups regarding financial metrics. The CFA measures customer franchise health, such as the number of unique guests acquired, retained, and lost, as well as the spending level of each group and down to the individual customer level.

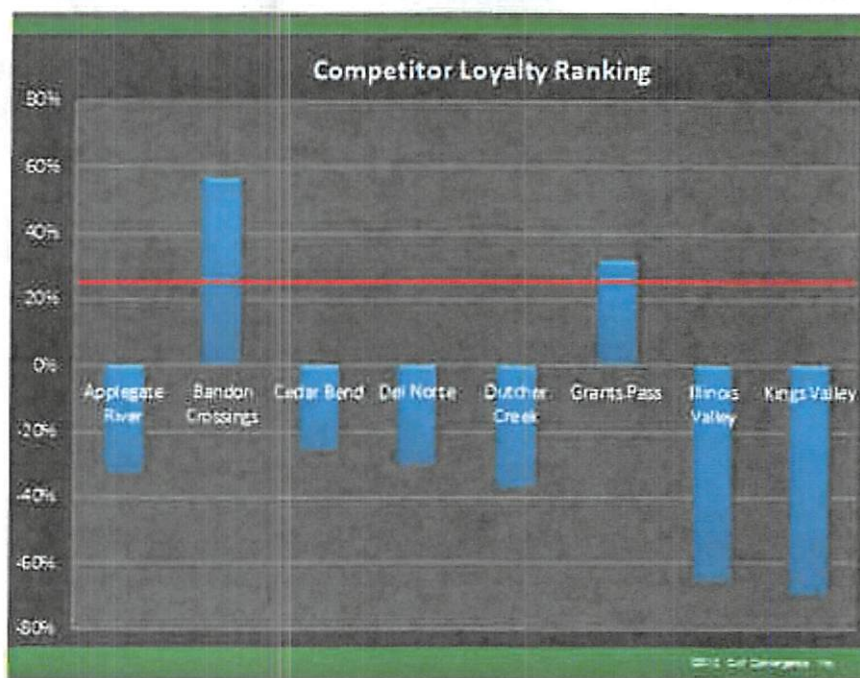
In undertaking this operational review, a golf course must identify core customers, spending patterns, customer retention, turnover frequency of golfers, zip code distribution, course utilization, revenue per available tee time, and revenue per tee time purchased. These critical metrics have not been created by the third-party contractor.

However, we were able to ascertain those factors that are vital to golfers in the City of Brookings. With a national average being 26, the Salmon Run loyalty score was an impressive 72, as noted below:



Note: "Promoter Score" is a term to measure the loyalty of customers to a facility. Are they "promoters" of that enterprise? The national average is 26. A negative score represents that the facility has more detractors than loyal customers.

The Salmon Run loyalty score is even more impressive when contrasted to its competitors, as noted below:

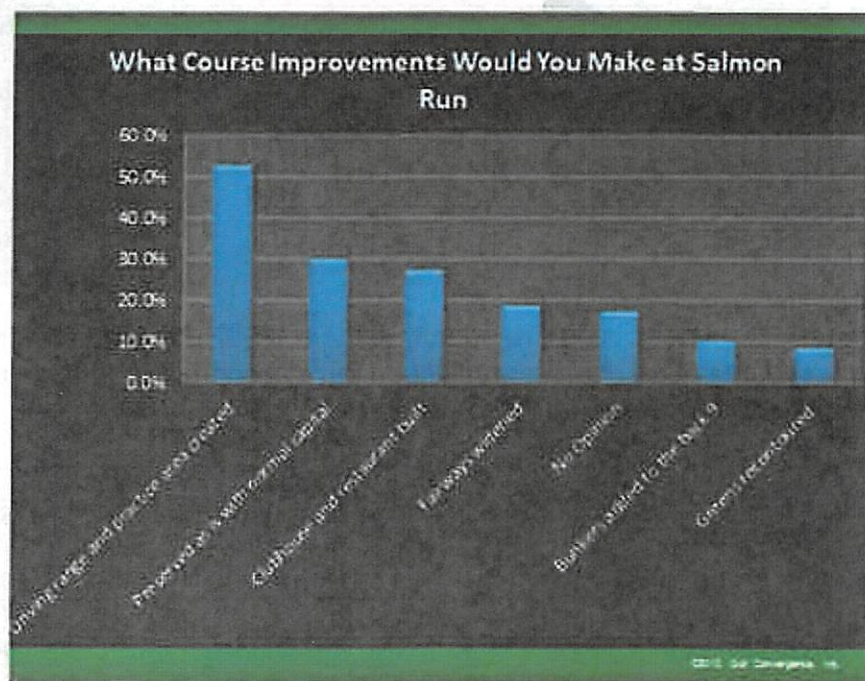


Why are those loyalty share numbers important? Loyalty correlates to wallet share, and the percentage of wallet share a course receives from its golfers is a highly predictive factor of

success. Higher wallet share equals higher revenue equals higher net income. Wallet share represents the percentage of a golfer's money spent at each golf course versus the total amount spent annually by the golfer.

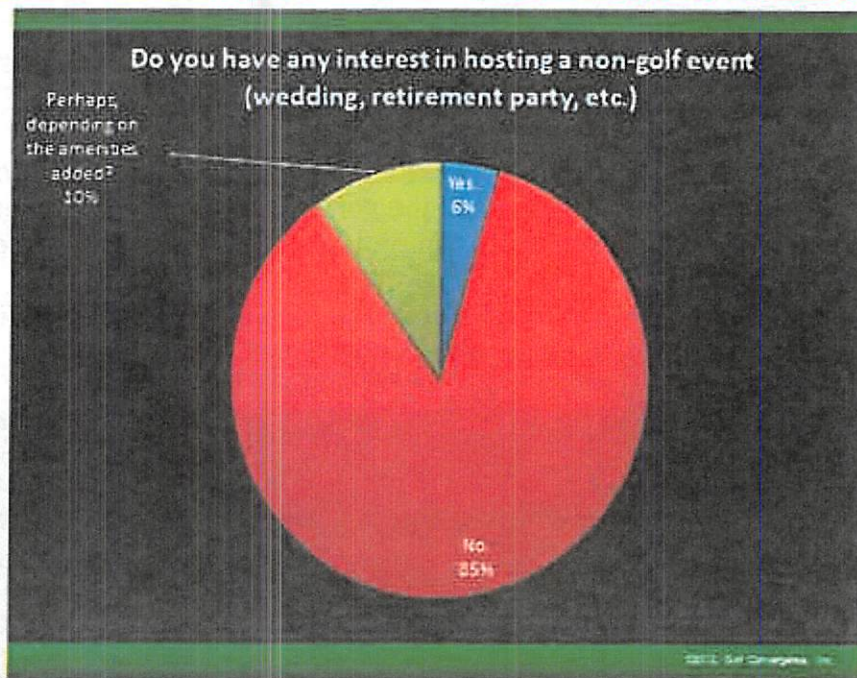
It is much easier to attract a greater wallet share of an existing customer through building loyalty than it is to attract a new customer to the golf course. Promoters refer five golfers per year to the facility, while strong detractors can provide up to five negative references.

The insights provided from this survey reinforced the recommendation contained here regarding the allocation of capital resources, as highlighted below:



What was discouraging was the unused potential alternative use of the facility for other revenue-generating efforts.

The survey indicated that there is not much community support for hosting other activities at the golf course:



This lack of community support also extended to golfers; 79% indicated that they did not have an interest in purchasing a membership or season pass at the fair market value price of \$2,742 as calculated below:

| Category | Amount |
|--|---------|
| Playable Days | 282 |
| % probability of use | 36% |
| Effective days pass used | 101 |
| Effective Yield | \$40 |
| Maximum Value of Pass | \$4,040 |
| Discount provided for prepaid commitment | 32% |
| Value of Annual Pass | \$2,742 |



Financial Analysis

While the geographic local market analysis and weather impact study evaluate the strategic investment opportunity from a macroeconomic perspective, a financial analysis and market review looks at the micro-economic perspective of each golf course as a stand-alone entity.

The financial prospects for Salmon Run as a self-sustaining golf course (without renovation and a permanent water source) are dim.

Historical Financial Performance

As part of this operational review, we examined, under a non-disclosure agreement, the historical financial performance of Salmon Run. While we are prohibited from publishing the historical financial performance of the golf course during the last three years, what can be stated is that the golf course is managed cost-effectively. The challenges faced are revenue-based, not expense-based.

Presented below is the financial performance of golf courses nationally. Salmon Run is in the bottom quartile in nearly all categories:

| All Facility Types What's Possible | | | | |
|---|---------------------|-----------------|------------------|---------------------|
| | Platinum Top 10% | Gold Top 25% | Silver Median | Steel Bottom 25% |
| Rounds Played | 40,888 | 30,000 | 22,000 | 16,000 |
| Full-Time Employees | 58 | 50 | 14 | 7 |
| Total Revenues | 4,458,748 | 2,838,000 | 1,400,000 | 800,000 |
| Green Fees | \$61,000 | \$08,138 | 239,850 | 121,000 |
| Golf Fees | 358,000 | 250,000 | 193,867 | 100,000 |
| Merchandise | 550,000 | 225,000 | 121,736 | 74,446 |
| Golf Shop Salaries | 408,000 | 287,000 | 180,872 | 142,630 |
| Maintenance Salaries | 651,000 | 452,000 | 187,777 | 160,000 |
| Total Maintenance Costs | 2,307,186 | 1,372,012 | 800,956 | 426,515 |
| EBITDA | 1,200,000 | 518,849 | 177,000 | 50,000 |
| Source: 2011 PGA Performance Trial | | | | |
| ©2012 Golf Consultants, Inc. | | | | |

It is safe to presume that Salmon Run continues to operate at a net operating deficit; thus, the City's insistence on rental payments would only aggravate the financial condition of the third-party contractor.



The Competitive Marketplace

The role of municipal golf, from its early historical vestiges, is to be the entry door to the game, providing citizens the affordable opportunity to enjoy this form of recreation.

It is important that the City provide golfers convenient access to a facility. Fortunately, as highlighted below, each of the competitive facilities are not geographically close:

| Salmon Run – A Superior Course In a Remote Location | |
|--|-------------------|
| | Distance (mi/hrs) |
| Applegate River | 47.7 |
| Bandon Crossing | 84.2 |
| Cedar Bend | 34.2 |
| Del Norte | 17.1 |
| Dutcher Creek | 48.8 |
| Grants Pass | 39.9 |
| Heald Valley | 30.1 |
| Kings Valley | 18.2 |

Source: 2011 PGA Performance Trial
©2012 Golf Channel, Inc.

Thus, closing Salmon Run would have a significant and material effect on the population in the City of Brookings. In that parks, libraries and swimming pools are all money-losing endeavors and are supported by the general fund, the City's active participation to ensure the long-term viability of Salmon Run is advised.

In full consideration of the role of municipal golf in the life of Brookings' citizens, it is our professional opinion that Salmon Run provides a valuable contribution to the citizens of Brookings. The ability of the course to serve as an office for the retired, a place for business associates to entertain, and an opportunity for the young to learn the game is a very worthwhile enterprise. We recommend that it would be worthwhile for the City to support Salmon Run by investing excess City resources to remove the non-native plants, to extend the driving range, and to provide a permanent source for water.

The key benchmark to measure? "Is the operating loss from Salmon Run less than the cost to maintain open park space?" To the extent the answer is "yes", continuing Salmon Run as a golf course is advised.



Fee Structure: Same Price – Vastly Different Value

The price of a green fee can vary based on the time of the day, day of the week, time of the year, age of the golfer, how the tee time was booked, and how good the customer is at scouring out value-based rates.

Many golf course owners are experts in citing uncontrollable factors for their financial woes. The economy, weather, third-party intermediaries, the perceived excess supply of golf courses, over-demand—all are cited as contributing causes to the depressed revenue generated by Salmon Run.

Usually, the prices charged by municipal golf courses serve as the “buoy” from which all other area golf courses determine their fees. Such is not the case in Salmon Run. Brookings is a unique market because it is very isolated.

There are many ways to establish the green fee:

- 1) A percentage of the constructions cost.
- 2) Based on value provided
- 3) Established based on competitors' prices.

For Salmon Run, based on the construction costs, 75.00 would be an appropriate green fee for prime time, 18 holes with cart. Based on the value provided, the fair value could be debated. The course is yielding \$40.00 per round. In comparison to pricing by the competitors, the fee is among the highest on the southwest Oregon coast.

The biggest deterrent to fair market value for Salmon Run, which is clearly the superior championship golf course within a 50-mile radius, is the difficulty of the course resulting in golfers losing many balls. During our examination, we frequently heard that losing 5 to 10 golf balls was a common occurrence. Those losses add an additional \$15 to \$30 to the cost of a round of golf. That cost, added to the rack rate, is an effective deterrent to frequent play by the casual golfer.

Therefore, a combined effort by the private company and the City to render the golf course kinder and gentler would be an effective stimulus to increase revenue.

The current market hangs in favor of the golfer. Since the ratio of golfers to course has declined during the past 20+ years, the competitive environment is allowing today's players to secure unprecedented values in terms of the quality of golf they can get for their money. Golf courses are using these factors as justification for delaying necessary capital investment.

However, the prime tee time fees posted within the state are slightly less than national averages. Presented below are statistics comparing courses in the United States with those in Oregon:



| Type of Course | United States | | Oregon | | Holes | Median Age | Average Age | Median Fee | Average Fee |
|----------------|---------------|---------|---------|---------|---------|------------|-------------|------------|-------------|
| | Courses | % | Courses | % | | | | | |
| DF | 9,233 | 58.10% | 140 | 71.07% | | | | | |
| MU | 2,393 | 15.06% | 18 | 9.14% | | | | | |
| PE | 2,602 | 16.37% | 24 | 12.18% | | | | | |
| PN | 1,632 | 10.27% | 15 | 7.61% | | | | | |
| PR | 31 | 0.20% | 0 | 0.00% | | | | | |
| Total Private | 4,265 | 26.84% | 39 | 19.80% | | | | | |
| Total Oregon | | | 197 | 100.00% | 3,159 | 1970 | 1967 | 48.00 | 54.66 |
| Total US | 15,891 | 100.00% | | | 268,254 | 1969 | 1965 | 41.00 | 52.05 |

Note: Average fee defined as 18 holes and cart during prime time on weekends.

Note that the State of Oregon has far greater daily fee and fewer municipal and private golf courses. This fact reflects the underlying independent philosophical bent of the State's residents. (See Appendix Steps 5 and 6 for a comprehensive pictorial essay of Salmon Run and the competitive golf courses against which it competes).

What is the proper price for the City of Brookings's course? The proper price is actually easy to determine. One merely needs to ascertain the value offered to the golfer. To the extent the price charged exceeds the experience, customer attrition occurs. When the prices are comparable to the experience provided, a golf course will thrive.

Thus, it is important that the golf course layout be made kinder and gentler to attract additional play.



Summary – A Community Asset with Long-Term Potential

Undertaking an operational assessment for Salmon Run golf course necessitated the evaluation of the potential of the facility, the future investment required, the highest and best use of the property, and if the experience offered to golfers was consistent; all of these were evaluated with the goal of creating a financially self-sustaining entity if possible.

Our evaluation of the Salmon Run golf course concluded that challenges exist as noted below:

| Project | Salmon Run |
|--------------------------|------------|
| Strategic | |
| Vision - Competitive Mix | Green |
| Demographics | Red |
| Weather - Recent | Green |
| Tactical | |
| POS/TTRS | Yellow |
| Web Site | Yellow |
| Financial | Red |
| Operational | |
| Course Layout | Red |
| Agronomic | Yellow |
| Deferred Capital | Yellow |
| Clubhouse | Green |
| Range/Short Game | Red |
| Food and Beverage | Yellow |
| Tournament/Outing Site | Green |
| Parking | Yellow |
| Golf Playing Preferences | Green |
| Customer Loyalty | Green |

Key: Red – negative
Yellow – neutral
Green – positive

Salmon Run is analogous to a “diamond in the rough.” It is currently like a piece of coal that with the allocation of significant labor and additional capital could be a jewel and the dominant golf course in Southwest Oregon.

It is a very competitive layout for a municipal golf course. The course’s location, layout, lack of a driving range, and its tented clubhouse, which creates some operational challenges, have all contributed to its financial woes.





Operational Analysis

Unfortunately, the capital investment required to bring current this facility will not likely create a positive return on investment in the short-term.

Lying in a valley fed by four creeks in a clay-based soil, the course's turf quality and agronomic conditions have suffered. As noted here, the architectural integrity of the course has been compromised by the lack of land and by fairways collapsing.

To optimize this golf course, a driving range should be constructed, land for three additional holes procured, all non-native shrubs removed, and trees trimmed to green approaches.

Presuming these changes could be made, Salmon Run would have the opportunity to create a championship golf course experience for its citizens that would be an attractive venue for corporate tournaments and outings.

This facility has a fabulous potential to meet an underserved niche within Southwest Oregon.





APPENDIX A

Research Performed

The conclusions contained in this report have been reached based on the evaluation of:

- ◆ Financial statements
- ◆ Architectural review of physical layout and condition of golf course
- ◆ Review of master plans, engineer reports and water studies
- ◆ Fee structures
- ◆ Capital improvement needs
- ◆ Lease agreements
- ◆ Management structures and alternatives

The analysis also included a review of the market and financial performance of the course as well as analysis of national, regional, and local trends in public golf, including supply and demand.

Attached to this report are the research and data that support the conclusions presented.

The chart below summarizes the research from which the conclusions and recommendations in this report were formed. This data was presented to the City of Brookings as a supplement to this report.



| Task | Document | Date |
|--|-----------------|-----------|
| Step 1 - City of Brookings - Geographic Local Market Analysis | Power Point | 2/22/2012 |
| Step 1 - City of Brookings - Geographic Local Market Analysis | Excel | 2/22/2012 |
| Step 1 - NGF Golf Demand Report: 10 30 50 Miles | Adobe Acrobat | 2/22/2012 |
| Step 1 - NGF Golf Supply Report | Adobe Acrobat | 2/22/2012 |
| Step 1 - NGF Facility Report: 10 30 50 Miles | Adobe Acrobat | 2/22/2012 |
| Step 1 - Tactician Demographic Trend Report | Adobe Acrobat | 2/22/2012 |
| Step 1 - Tactician Income and Disposable Income Report | Adobe Acrobat | 2/22/2012 |
| Step 1 - Tactician MOSAIC Comparative Population Report | Adobe Acrobat | 2/22/2012 |
| Step 1 - Tactician Population Greater than 18: 10 30 50 Miles | Adobe Acrobat | 2/22/2012 |
| Step 2 - Weather Trends International Playable Days Report | Adobe Acrobat | 2/22/2012 |
| Step 2 - Playable Day Analysis vs. Management Performance | Excel | 4/9/2012 |
| Step 4 - Financial Comparison to National - State Benchmarks | Excel | 4/9/2012 |
| Step 4 - 2009 - 2011 Operating Statistics Review | Excel | 4/9/2012 |
| Step 5A - Tor Flatebo Engineering Blueprints for Water | Adobe Acrobat | 4/16/2012 |
| Step 5B - Agronomic Review | Adobe Acrobat | 2/22/2012 |
| Step 5C - Golf Course Master Plan | Adobe Acrobat | 2/22/2012 |
| Step 6A - Competitive Course Review : Cedar Bend | Adobe Acrobat | 2/22/2012 |
| Step 6B - Competitive Course Review : Del Norte | Adobe Acrobat | 2/22/2012 |
| Step 6C - Competitive Course Review : Kings Valley | Adobe Acrobat | 2/22/2012 |
| Step 7A - City of Brookings Customer Survey | Adobe Acrobat | 3/1/2012 |
| Step 7B - City of Brookings Raw Data Files -- Survey Summary 3 31 2011 | Microsoft Excel | 3/31/2012 |
| Step 8 - City of Brookings Patron Customer Loyalty Analysis | Power Point | 3/1/2012 |

Limitations of Study and Caveats

This engagement, like many, has taken many twists and turns, creating some unanticipated challenges, including the following:

- ◆ The facility's lack of access to a permanent water source and the need to consult with the City's water rights attorney and the Oregon Water Resources Department protracted this review.
- ◆ Though adequate funds were available to properly construct the golf course, the construction methods implemented created severe challenges with respect to long-term playability and maintenance, especially with respect to holes 2, 10 and 11.

The course is perceived as difficult and unfair, and the probability of losing many golf balls by the less-accomplished golfer is extremely high. The fairway corridors leading to the green approaches, on many holes, require the removal of trees and shrubs to provide the golfer a fair result from the proper execution of a reasonable shot.



The ability of management to rectify these issues will require significant capital (not readily available) and the cooperation of the Oregon Department of Fish and Wildlife who maintain vigilance over the various creeks (Hamilton, Jack, Jordan).

Thus because the course is land-locked, management is effectively precluded from curing these deficiencies in a cost-effective or timely manner. Our attempt to find cost-effective alternatives did not result in meaningful solutions.

- ◆ The uncertainty regarding limitations on future capital funding.
- ◆ In conducting a public survey, of the 2,472 email address provided, 1,053 bounced. This indicates that management is not active in maintaining a current database and that the results of the survey conducted did not achieve the statistical confidence level desired.

What Is a Strategic Plan?

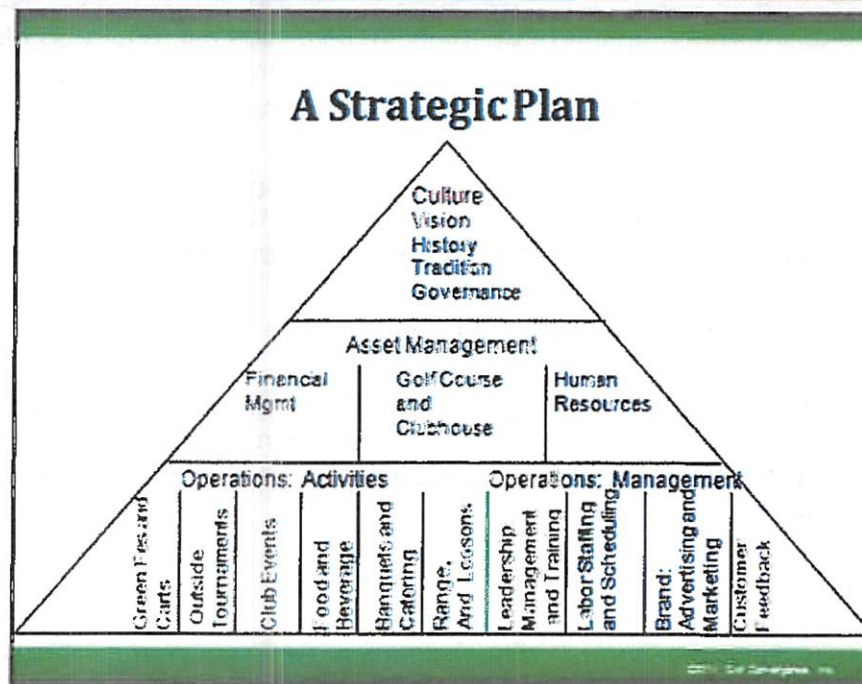
A strategic plan is a written document that defines a golf course's future direction. It is a beacon with which elected officials, the facility's lessee, management and staff of the golf course, golfers, and the taxpayers can see the value proposition for the enterprise. A strategic plan provides a consensus for future direction, one that can be measured and evaluated.

Without a defined strategic vision, effective tactical plans cannot be developed. Without tactical plans, efficient operational execution cannot occur.

This guidepost for the implementation of the strategic plan is founded with an understanding of the value provided to the customer. To the extent that the experience exceeds the price, value is created and customer loyalty is developed. Conversely, to the extent that the price exceeds the experience created, value is squandered and customer attrition occurs.

Value in golf derives from two basic components shared by all golf courses: the physical infrastructure - property, plant, and equipment (the course, the clubhouse, and maintenance equipment); and secondly, the human element - the personnel.

How these resources, as depicted below, are applied determines the experience created.



The creation of a new strategic plan for the Salmon Run golf course was beyond the scope of this analysis.

The Goal

The City of Brookings was seeking to conduct a high-level operational audit and market feasibility study to assess the financial viability of the Salmon Run golf course and the economics of the associated lease of the facility to a private third party.

This analysis included:

1. Review the following documents:
 - a. David Evans water service report
 - b. Lease Agreement including all amendments
 - c. Conditional Use Permit
 - d. 2011 Business Plan
 - e. 2011 Improvement Plan
 - f. 2011 Operational review (OB Sports Management)
 - g. 2009, 2010 golf course financial statements
 - h. City correspondence file and reports.
2. Meet with City staff and Golf Course Management to discuss questions/issues arising from review of above.
3. Identify any contractual or use permit compliance issues.



4. Prepare findings and recommendations, including plan for financing improvements, resolving water service matters, and achieving financial stability.
5. Conduct site visit.
6. Develop and draft new lease agreement incorporating findings and recommendations from #2 above, including financial remuneration to City and ongoing compliance and financial goal achievement monitoring.

To accomplish those objectives, Golf Convergence employed a precise methodology of eight steps, to craft an operational review with the scope defined with the Request for Proposal. These steps and the knowledge gained from each are summarized:

| Step | Function | Description | Knowledge Gained |
|------|-----------|----------------------------------|---|
| 1 | Strategic | Geographic Local Market Analysis | Is there sufficient demand with appropriate demographics to meet the available supply? Are the age, income, ethnicity, and population density sufficient to sustain a golf course? |
| 2 | | Weather Impact Analysis | What impact has weather played on rounds versus management policies? |
| 3 | Tactical | Technology | How effectively has an integrated golf management solution been deployed to create the aggregation of data required to properly manage? |
| 4a | | Key Metrics | How does the operational performance compare to the 15 industry benchmarks that measure strengths and weaknesses? |



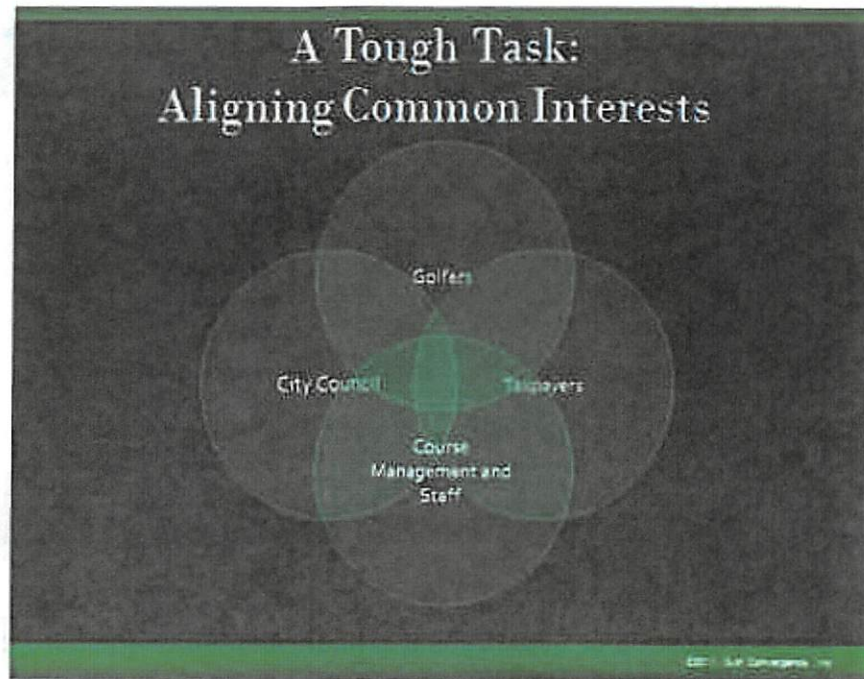
| Step | Function | Description | Knowledge Gained |
|------|-------------|---|---|
| 4b | | Financial Modeling/ Revenue Management | Have accurate financial models that support proactive decision-making been developed? What debt service can the golf course cover? What is the current utilization and REVPAR? Is there a gap between the fees charged and the value experienced? |
| 5 | Operational | Golf Operation and Course Agronomic Review | The golf course design, agronomic and turf practices, and equipment levels are evaluated against best practices. What is the highest and best use for the property? |
| 6 | | Management, Marketing, and Operational Review | Does the value provided equal or exceed the associated fees? Are the proper operating procedures consistently deployed through each step of the "assembly line of golf"? The entrance to the clubhouse, staffing, organizational structure, merchandising, food and beverage, advertising, and marketing are evaluated and compared to the industry's best practices. |
| 7 | | Customer Preferences | Who are your core customers and how much do they spend? What is the annual retention of golfers? |
| 8 | | Customer Loyalty | What are the barriers to increased play, what is the golfer's perceived value, and what is the primary reason one course is selected over another? How loyal are your customers? |

These questions had a single purpose – to align the common interest of City Council, City Management, the Third-Party Management Company, Course Management and Staff, Golfers, and Taxpayers.

Attempting to align such interests is always met with conflict, as highlighted below:

- City Council wants a self-supporting golf course that serves a local community need in which the private third party is performing in accordance with the terms of the lease originally signed February 17, 1998.
- The Staff wants to work in an environment where they have the tools, equipment, and financial support to maximize the value of the golf course. They want to provide a great service to the golfers, and to be recognized and rewarded for their hard work to achieve everyone's expectations.
- Golfers want great course conditions and good customer service for a fair price.
- Taxpayers do not want to subsidize golfers at their expense.

Melding the varied interests and contributions of several entities to achieve a positive outcome is paramount in this operational review.



It is our hope that this operational review achieves this goal of aligning common interests.

Service Level Targets

In undertaking an operational review, understanding the vision and mission of the golf course is determined by many factors, including financial assets, personnel resources, and market demand. It is important to identify and understand the potential financial goal for a municipal course.

Golf courses and their associated service standards can be classified as follows: platinum, gold, silver, and steel, as reflected in the chart below:



| Municipal Golf Courses What's Possible | | | | |
|---|---------------------|-----------------|------------------|-----------------------|
| | Platinum Top 10% | Gold Top 25% | Silver Median | Steel - Bottom 25% |
| Rounds Played | 55,000 | 43,000 | 31,957 | 23,260 |
| Full-Time Employees | 22 | 43 | 5 | 4 |
| Total Revenues | \$2,050,619 | \$1,500,000 | \$954,720 | \$650,000 |
| Green Fees | \$1,200,000 | \$793,000 | \$476,204 | \$231,958 |
| Cart Fees | \$387,000 | \$305,000 | \$200,562 | \$120,000 |
| Merchandise | \$247,222 | \$150,000 | \$90,000 | \$51,500 |
| Golf Shop | \$736,000 | \$464,524 | \$284,329 | \$160,225 |
| Maintenance Salaries | \$587,000 | \$400,000 | \$252,085 | \$167,000 |
| Total Maintenance Costs | \$1,594,082 | \$1,063,320 | \$620,347 | \$387,000 |
| EBITDA | \$1,069,716 | \$600,000 | \$197,500 | \$70,000 |
| Source: 2011 PGA Performance Data | | | | |

Based on the financial performance of other municipal golf courses, the Salmon Run golf course would be classified as "steel," as its financial results are in the bottom 25% of municipal golf courses nationally.

Another method to differentiate between golf courses and the experiences they provide is based on the length of the golf course and the associated service standards, such as dress standards, whether carts are required, smoking regulations, tipping and gift policies, and other activities offered.

Why is this relevant for the City of Brookings?

The City of Brookings sought a "recommendation for the appropriate market positioning for Salmon Run in the future." Financial losses that are occurring at Salmon Run simply because:

- 1) The small surrounding population is insufficient to support an 18-hole golf course.
- 2) The difficulty of the golf course exceeds its recreational enjoyment.
- 3) The price charged exceeds the experience. Unfortunately, due to the inherent cost structure in operating the golf course, the course is caught in a death spiral that is unlikely to reverse in the short term.

These are not likely to reverse in the short term. The financial performance of the Salmon Run golf course is likely to remain challenged for the foreseeable future. Therefore, it is in the City's best interest to work in partnership with the private third party to ensure that a valued



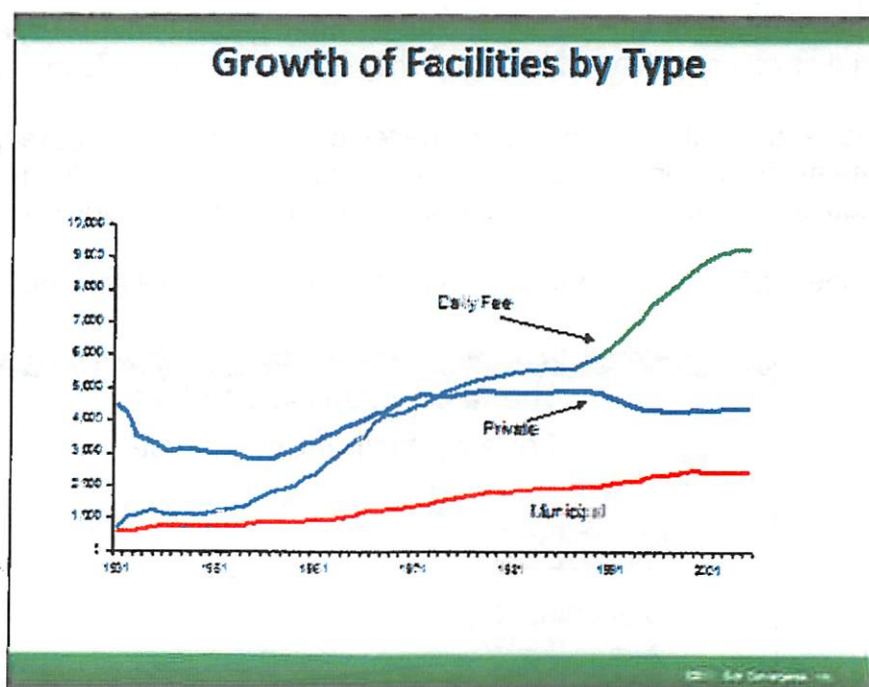
recreational asset of the community remains open for public and tourist play without the associated commitment of financial resources.

Why such a dispassionate position with respect to the future operation of Salmon Run? An understanding of the role of government in golf is essential.

The Role of Government in Golf

Golf started in North America in the late 1880's. Access was largely through private country clubs.

Because of the origins of the game within the U.S. as private and club-based, municipalities filled the void for the public by building golf courses as part of their Parks and Recreation programs. The need for municipalities to continue to operate golf courses has been largely eliminated by the evolution of daily fee golf courses – those open to the public via private enterprise—which became a significant factor starting in the 1960's, as illustrated below:



The current debate: Is providing golf to citizens an essential function of government?

The role of government is to provide those essential services to a society that could not otherwise be provided efficiently or effectively by private enterprise. Hence, police, fire, water, sanitation, and highways are usually within the bailiwick of government. But if a need of the citizens is adequately met by private enterprise, should the government provide that service if it is not essential to the health and welfare of its citizens?

It is the finding of this report (as presented in detail in Step 1, Geographic Local Market Analysis) that supply from private enterprise and other municipal entities exceeds the needs of



the citizens of the City of Brookings and the 50-mile surrounding area for golf as a recreational sport.

Therefore, while it is in the citizens' and the City's interests that the golf course remains operational, no direct investment of City capital is advised. To the extent that the City has excess resources that can be allocated to the golf course, mutual interests would be served.

The Organizational Structure of Municipal Golf

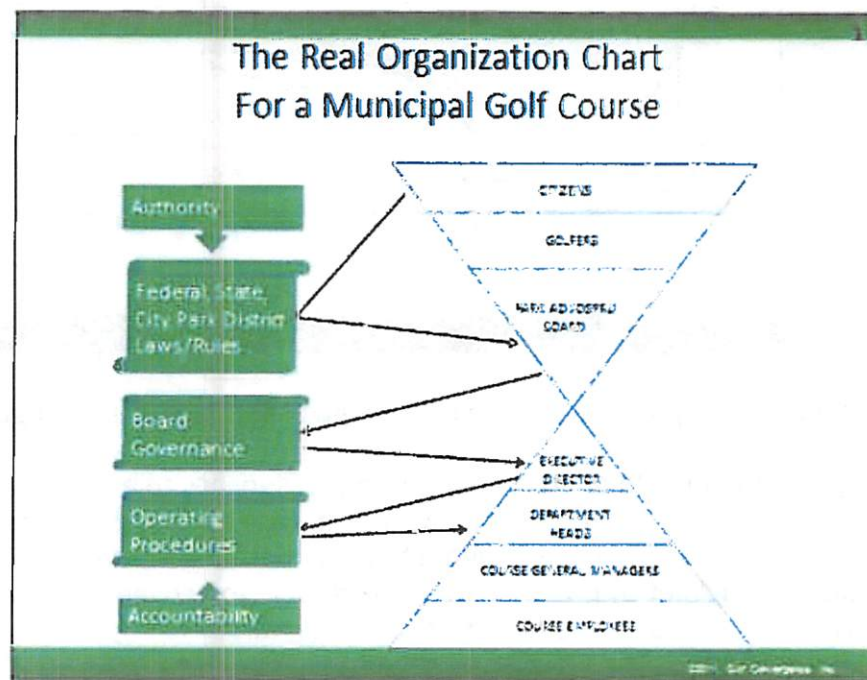
Municipal golf courses serve various constituencies, including: City of Brookings City Commission, Management/Staff, Golfers, and ultimately, Taxpayers.

The mission statement of a municipal golf course can range from generating the largest possible return on investment to merely creating a value-based recreational opportunity, or alternatively, catering to the perceived needs of niche groups. Some golf courses also emphasize the value of teaching core values to young golfers.

The national brand image of municipal golf courses often gets a bad rap, especially those facilities viewed as an entry door to the game; they often are downtrodden and degrading.

Such is not the case at Salmon Run. The management and staff is dedicated, hardworking, and passionate about creating value. But decision-making in response to the uncontrollable factors reported, as well as the lack of resources, often impairs their ability to execute.

With that considered, the real organization chart for most municipal golf course is as follows:





With this understanding of the macroeconomic factors prevalent in our nation, the microeconomic influences affecting the local golf course, and the current political, economic, and financial environment observed in City of Brookings, this much is clear— if the City is to provide golf, it must do so in a way that ensures that the golf course is financially self-sustaining and free from general fund support.

Two beacons of hope for the future of golf suggest that perhaps in the intermediate, and maybe even in the long term, Salmon Run might be viable.

First, on November 16, 2011, the National Golf Foundation reported that there are positive developments that suggest the golf industry has reached some balance:

National Golf Foundation Reports
November 16, 2011

- Latent demand – millions of non-golfers interested in taking up the game
- Dedicated PGA of America Golf 2.0 initiatives to help activate interested non-golfers
- Economic recovery should aid increases in rounds played and spending
- The expected net closure of golf facilities over the next decade should help improve the dilution of demand at the golf course level
- We expect the combined result of these factors to reverse the trend and provide a rise in golfers and rounds per 18 holes.

Second, municipalities, recognizing that labor expenses and the associated fringe benefits are the source of many of their financial challenges in operating golf courses, are seeking privatization of those operations. By December, 2011, 43% of all municipal golf courses had privatized.

Wisely, the City of Brookings leased the land to a third-party management company in 1998. Thus, this liability that is faced by many other municipalities currently is a non-issue for the City. Therefore, the continued use of a third-party management company is advocated as part of this operational review.

Global Perspectives – Current Economic Outlook

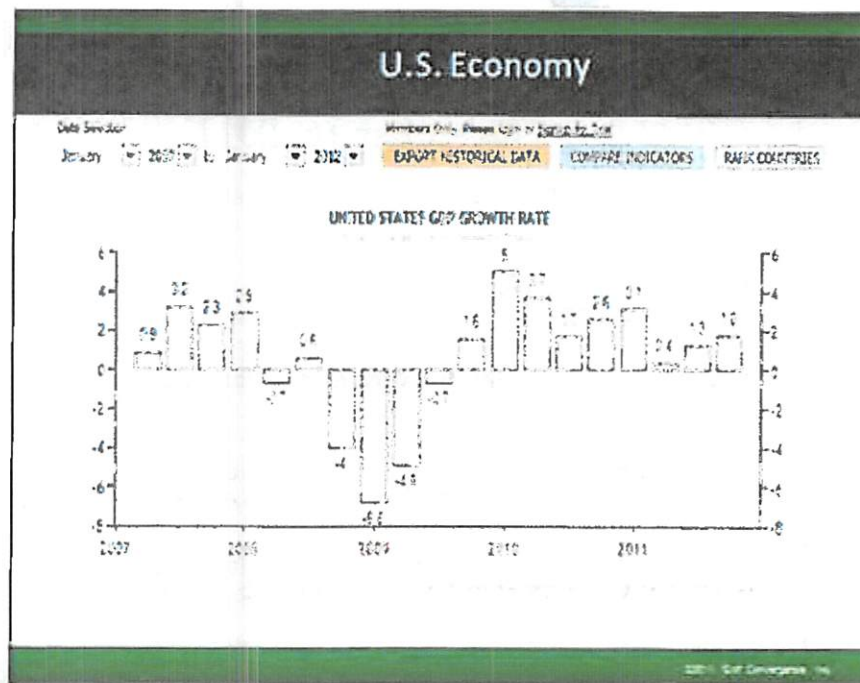
Golf is a recreational sport that consumes the disposable income of its patrons. Golf competes for the entertainment dollars of its consumers.



The financial prosperity of golf is indirectly correlated to the world economy. To measure the impact of current economic conditions on the golf industry, in April, 2010, the National Golf Foundation (NGF) included at its annual symposium a presentation titled, "Economic and Capital Markets at Home and Overseas."³

The speaker, Chris Holling, Vice President of IHS Global Insight, presented the case that the U.S. economy was at a crossroads. Negative factors included high unemployment, reduced asset values, tight credit, and high debt burdens. Countering those factors are real income growth, low inflation, low interest rates, and the stock market rally.

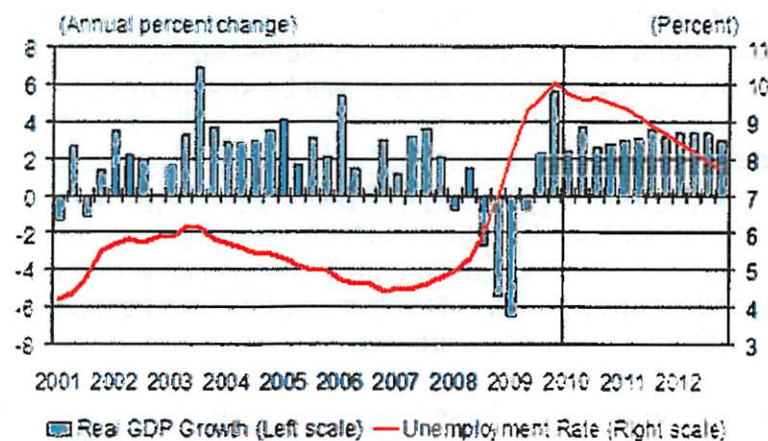
The net result of those factors becomes reflected in the U.S. GDP growth rate, as highlighted below:



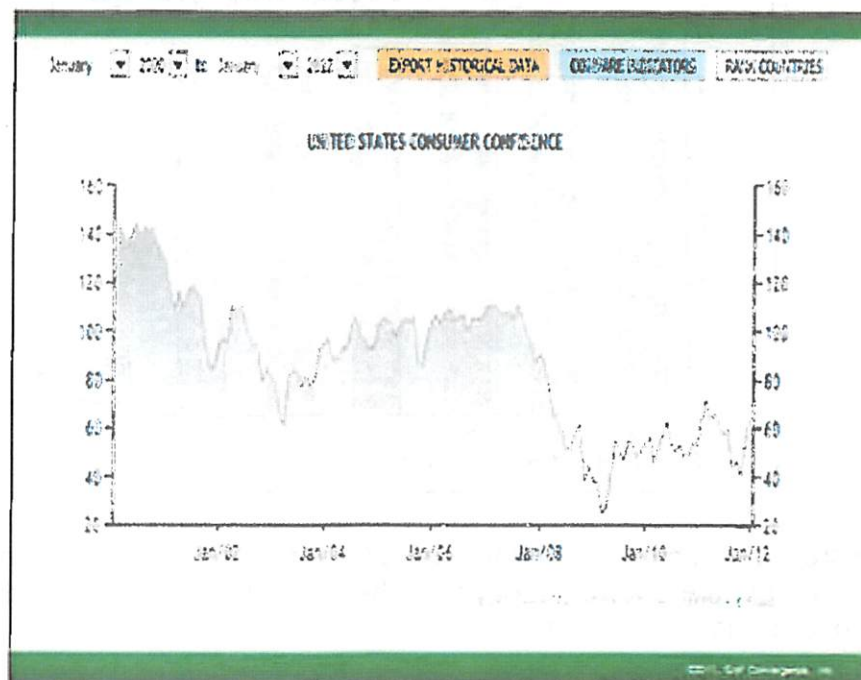
Of great concern is that the economy is considered at full employment when unemployment is 4%. Unemployment is expected to exceed 7.5% for the next three years. That factor alone has a significant impact on consumer confidence and on the average disposable income available for recreation and entertainment.

³ IHS Global Insight, "Economic and Capital Markets and Homes and Overseas," April 29, 2010, Slide 4

The U.S. Economy Advances



Another important economic measure is the Consumer Confidence Index. Presented below is the U.S. consumer confidence index sourced from the Conference Board, Inc.:



After two months of considerable gains in November and December, the Consumer Confidence Index is now back to levels seen in April 2011.

Looking ahead, consumers are more optimistic that business conditions, employment prospects, and their financial situations will continue to get better. While consumers are in a



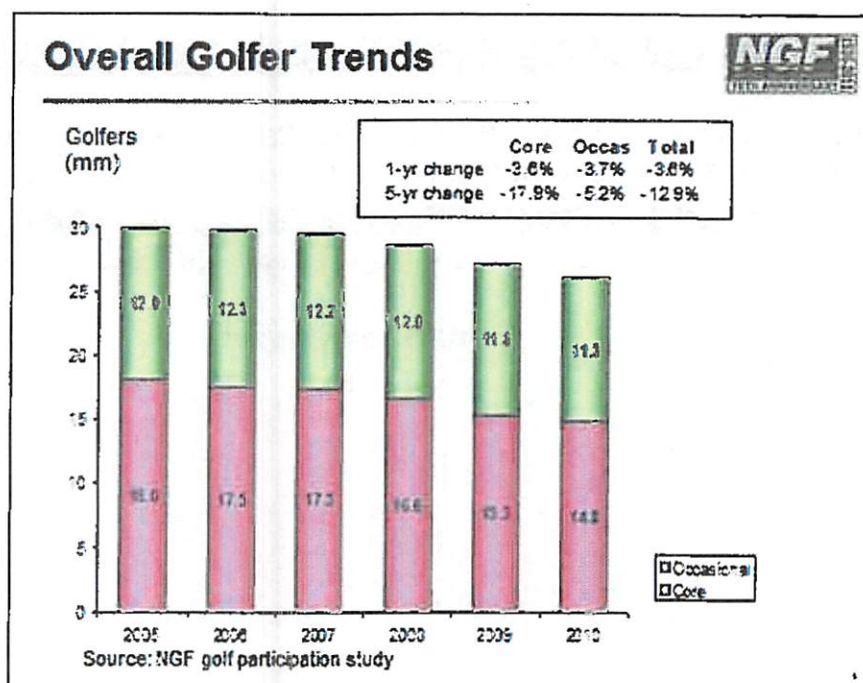
somewhat more upbeat mood, it is too soon to tell if this is a rebound from earlier declines or a sustainable shift in attitudes. While consumer confidence improves, it remains far below the levels achieved a decade ago.

Why is consumer confidence important? Since golf is a recreational activity that consumes disposable per capita income, the higher consumer confidence is, the greater is the probability that entertainment activities, such as golf, will be sustainable.

Analysis of National Trends in Public Golf, including Supply and Demand

All economic forecasts from leading industry research groups forecast a "flat industry" for the foreseeable future. For the next decade, the sport is likely to remain at 25 to 30 million participants, and revenue growth will only come from market share increases (stealing your competitors' customers) or price increases.

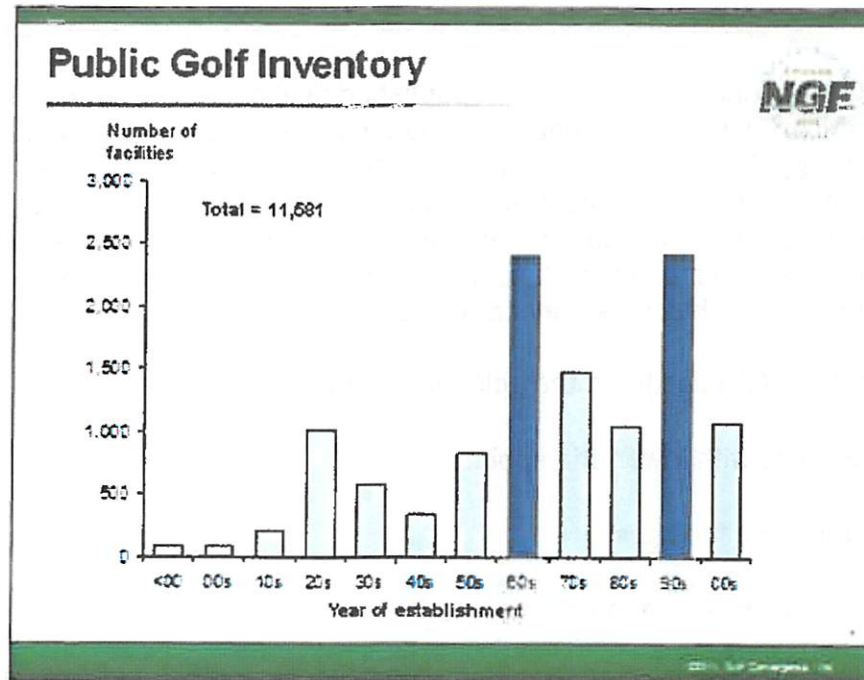
Those conclusions are reached based on overall golfer trends, as reflected below:



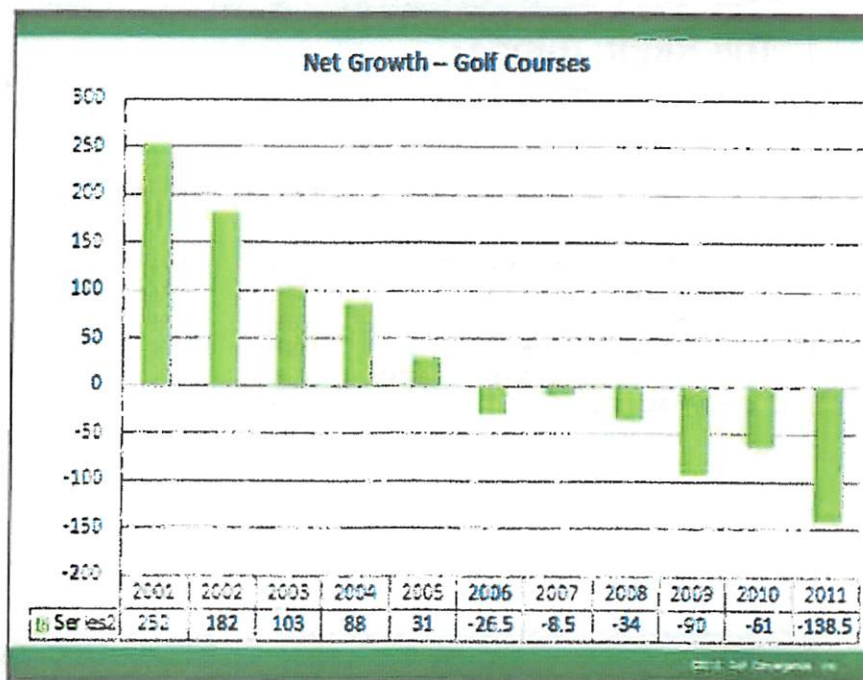
The net decrease of 1.5 million golfers from 2009 to 2010 included 5.2 million golfers who left the game; their numbers were not offset by the 1.7 million beginners and the 2.0 million former golfers who returned to the sport.

Since 1990, the growth in the number of golf courses is up 24%, while the number of golfers has increased only 16%. As a result, rounds played at each golf course have fallen from 40,400 in 1990 to 32,640 today. During this same period, while the number of golfers has fallen 9.2%, rounds volume has fallen 2.7%.

Today's supply imbalance is attributable to the golf courses opened during the '60's and the '90's, as reflected below:



For the past five years, and for the first time in history, more U.S. courses have closed than opened, as evidenced in the following chart:





Thus, the largest contributing influences are "uncontrollable factors" at a national level, and a quick reversal is not likely. Therefore, there are no foreseeable changes which will provide the City of Brookings the opportunity to grow based on a surge in demand or a dramatic restriction of supply.

In 2009, The National Golf Foundation published an extensive study on "The Future of Public Golf in America,"⁴ which cited that 15% of golf courses rated their financial health as extremely poor. Of those golf courses, 56% of daily fee golf courses were considering closing and selling, and 26% of municipal golf courses were evaluating the same alternatives. Uniformly, with rounds and revenue off, losses had increased, maintenance standards were deteriorating, capital investments were deferred, and discounting practices were being used to boost rounds. The City of Brookings has experienced the same situations.

As a result, the NGF concluded the golf courses most at risk⁵ were:

- Facilities with lower price points
- Alternative facilities
- Facilities in less-populated areas

Salmon Run, being located in a less populated area, is in the crosshairs of risk of closing. The NGF study further revealed significant differences between how successful golf courses were operating in contrast to those courses that were financially challenged. These differences are reflected below:⁶

| The Right Things | | |
|-------------------------------|-------------------|------------------|
| | Success (7-10) | At-Risk (0-3) |
| Customer service emphasis | 73% | 52% |
| Have strategic plan | 69% | 48% |
| Structured player development | 59% | 41% |
| Customer surveys | 49% | 36% |
| Promote other revenue centers | 43% | 26% |
| Pace of play | 43% | 24% |

⁴ National Golf Foundation, "The Future of Public Golf in America," April 22, 2009, Slides 1-43.

⁵ National Golf Foundation, "The Future of Public Golf in America," April 22, 2009, Slide 21.

⁶ National Golf Foundation, "The Future of Public Golf in America," April 22, 2009, Slide 26.

Maintaining customer databases, engaging in email marketing, and publishing newsletters are additional traits of successful facilities that have been widely recognized over the years. While the City of Brookings, via its relationship with a third-party management company, doesn't fully engage in such activities, these missing marketing activities increase its risk of failure. Fortunately, Information Systems Technology systems are in place at Salmon Run, so these deficiencies are correctable.

The Business of Golf – Balancing Demand and Supply

In theory, business is actually very simple. It is simply balancing supply against demand. By establishing the price that correctly balances the value delivered commensurate with market demand, net income is maximized.

Business can be made very complicated. The permutations of operating a successful golf course exponentially increase quickly when one considers the factors that impact supply (the number of golf courses) or those factors that affect demand (course conditioning, price, weather, service, and customer demographics and preferences).

In a perfect market, customers purchase products that satisfy their needs or desires for prices they determine to be the best value. Golfers purchase a round of golf for the price that creates the social status they seek, for the networking they want to achieve, for convenience to home or business, and for the recreational and leisure experience.

Unfortunately, capitalism is not about perfect markets. Inadequate information, undisciplined decision making, and government intervention can create aggregate failure. The essence of capitalism is for the successful entrepreneur to gain a strategic advantage over competitors within an imperfect market.

The goal of the golf course owner should be to blend the following triad:

- 1) Superlative information
- 2) Disciplined decision making
- 3) Crisp execution

But that first component, superlative information, starts with an understanding of the breadth and depth of the golf industry.

An understanding of macroeconomics as it relates to supply and demand and the underlying performance, structure, and behavior of the golf industry creates the essential perspective necessary to craft an operational review as part of an operational analysis for which this study was commissioned. In the previous pages, we have examined macroeconomic supply and demand changes, but it is necessary to take a microeconomic perspective regarding demand.



A Closer Look at Demand – What Is the Profile of a Golfer?

In 1899, when 307 golf courses existed in the United States, Thorstein Veblen, the author of *The Theory of the Leisure Class*, expressed his opinion that golf was a game in which individuals participated to demonstrate their conspicuous consumption of leisure⁷. In essence, individuals were attracted to the sport to demonstrate their superior financial position and to flaunt their lack of need for work as America transitioned from an agrarian to an industrial society.

From that meager beginning, golf in the United States has grown to a \$24.8 billion industry in which 26 million golfers play 460 million rounds while frequenting 15,882 facilities.

Despite that growth, more than 110 years later, golf has not lost its elitist brand. Two-thirds of the rounds are played by those with a household income of at least \$85,500, and their median age is 41.9. The national median household income is \$51,618, with a median age of 37.1. For every round played in the U.S. by someone who is Hispanic or African American, Caucasians play seven rounds. For every round played by a female, men play 5.1 rounds. With Generation Y playing 58% less than baby boomers, this is hardly the foundation for an industry hoping for dynamic growth.

The harsh economic environment, combined with adverse weather during the past several years, particularly in Brookings, has contributed to the fact that golf is a struggling industry in which the supply of facilities exceeds demand. Over the past six years, 257 more U.S. courses have closed than opened. To balance the industry, we forecast that 1,659 facilities should close in the United States.

The financial health of the business of golf can be measured by many numbers. Three of the most effective are the relationship between the number of golf courses, the number of golfers, and the number of rounds played. Many factors influence those three components.

In order to compute the number of golfers and the number of rounds, we first need to define “golfer.” The National Golf Foundation defines a “golfer” as an individual, age 6 or older, who played at least one round in the past year. “Core golfers” are defined as those adults 18 or older who play between eight and 24 rounds per year. The term “avid golfer” is used for those golfers who play more than 24 rounds per year. Other industry research groups use “12 years or older” as the benchmark for what constitutes a golfer. Again, the golf industry’s methods of gathering statistics are not standardized.

Another term that causes much debate is “round.” When you play a “round,” have you played nine or 18 holes? The most common use of the word “round” merely means “a start.” In other words, a golfer teed off on at least one hole.

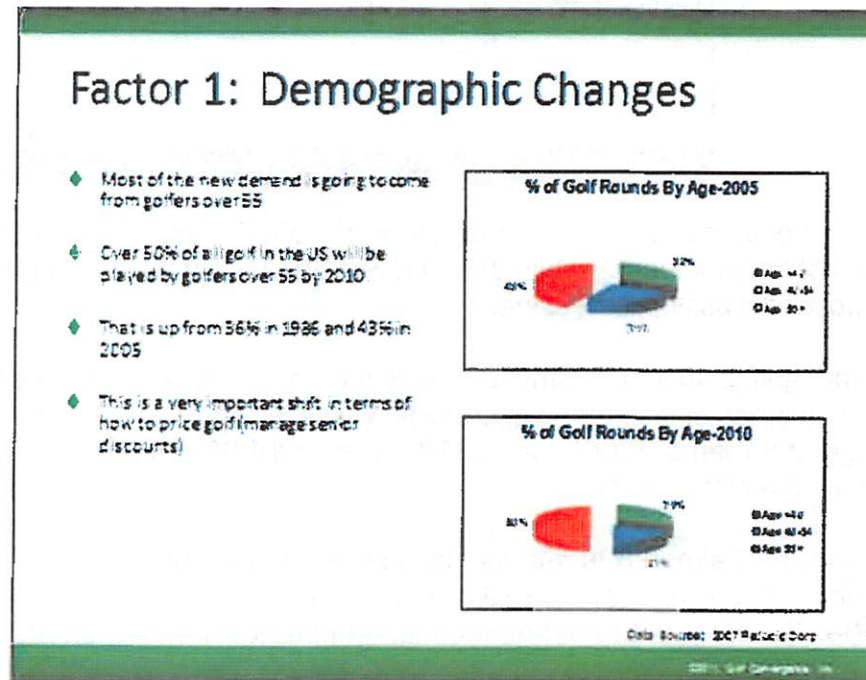
⁷ Thorstein Veblen, *Theory of the Leisure Class* (Oxford, Oxford University Press), 1899. http://en.wikipedia.org/wiki/The_Theory_of_the_Leisure_Class.



With the term golfer now defined, a further analysis reveals that the game of golf is all of the following:

- 1) Golf is a game of the aging population.
- 2) Golf is a game of the wealthy.
- 3) Golf's growth is constrained by the time-crunched nature of our society.

As has been demonstrated in economic surveys conducted throughout the world, golf thrives in cities where the population is aging. Over 68% of all golf rounds are played by those older than 43 years of age, as reflected below:



The City of Brookings' population is 20% older than the national average.

However, not only is golf a game whose participants are aging, golf is also a game of the wealthy, and the sport is clearly losing its middle-class appeal, as reflected below:

Factor 2: Golf is Expensive

| Inc. Group | '00 % Golfers | '00 % HHs | Index | '05 % Golfers | '05 % HHs | Index |
|------------------------------|------------------|--------------|-------|------------------|--------------|-------|
| Upper Class \$75K+ | 27% | 23% | 115 | 49% | 34% | 144 |
| Middle Class \$35-\$74.9K | 43% | 36% | 119 | 35% | 35% | 100 |
| Working Class <\$35K | 30% | 41% | 73 | 16% | 31% | 52 |

Data Source: 2007 Polling Corp.

This chart reflects that using a baseline index of 100, the upper class constitutes a greater portion of golf's participants, while the relative frequency of participation by the middle class and the working class is decreasing.

The fact that golf is an elitist game is clearly demonstrated with the statistic that indicates that those with incomes of less than \$34,999 play only 3.45 rounds per year, while those with incomes greater than \$75,000 play 431% more, or 14.89 rounds per year. Golf is clearly losing its middle-class appeal.

Unfortunately for Salmon Run, the median household income within 50 miles of the golf course is 26% below national averages—\$39,666 contrasted to the national median household income of \$53,908. Those statistics define the market potential for Salmon Run.

All of this begs the question as to why golf is not more popular among the young, middle, and working classes.

First, the game is difficult to learn, and if you're not very good at it, it isn't a lot of fun. Second, the cost to even begin playing is high—clubs, shoes, golf balls. It's not uncommon to invest at least \$500 to more than \$3,000 to start. Third, a round of golf consumes the better part of a day. Fourth, the attitude present in many male-dominated pro shops creates a harsh and unfriendly environment for many women. Finally, many golf course personnel believe that they are "members" of the club, not "workers" at the club.

While the demand/supply imbalance bodes poorly for golf, such imbalance masks a more subtle and pervading problem that is retarding the growth of the game. That problem is the significant change in the demographics of how our society functions in the United States. Sociologists track seven major categories to determine the nature of a society, some of which



are technology (medicine, computers), social trends (reduced social conformity), and demographics (baby boomers and Gen X).

Within the seven categories, when three or more become altered significantly, society changes. That is what has occurred during the past seven years. Labeled the "time crunch," societal changes include the following:

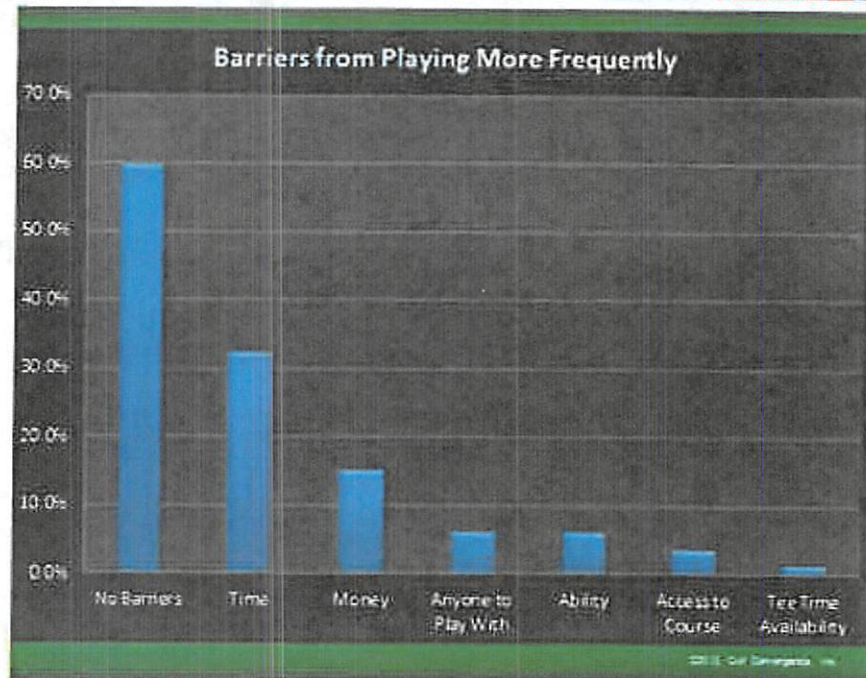
A Time Crunched Society

1. **The technology trap** of endless improvements; the more empowered technology makes you, the more you are expected to do.
2. **The update mandate**: We must be constantly updating our information; our devices (phones, email), our knowledge (events, education), our values (tolerance to risk, work, etc.). We have dramatically increased our "work cycles." Employee productivity is up 24.2 in the past ten years.
3. **The marketplace of endless choices**: (47 car manufacturers, hundreds of models, thousands of choices.) Shopping takes a lot more energy, thought and time.
4. **We have become an experience economy**: Starbucks to see it made, Krispy Kreme to watch it bake, Harley to gather on weekends at events to participate.
5. **Lifestyle integration**: Our key value is that everything must be efficient and we can do it at once, causing the erosion of the barriers between home, work, and commuting.
6. **Child centeredness**: Our focus on wants, needs and desires have transferred from ourselves to our children. There is now a social status attached to the "child first" attitude. Our parents put themselves first. We put our children first.
7. **Conspicuous activation**: Status is now achieved by showing how busy you are and how many activities you are involved in.

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The time crunch, in which 50% of all families are divorced and 80% of existing families have dual wage earners, has completely redefined the concept of leisure.

In undertaking this operational for the City of Brookings, we asked, "What are the primary barriers to playing golf?" The survey results are outlined below:



The survey results are not encouraging. "No barriers" and "time" are uncontrollable factors that will have a negative impact on the golf course's future potential. The survey for the City of Brookings also confirmed that the individuals who utilize the golf course mirror the national demographic trends regarding age and household income.

The factors of golf's lessening popularity and changes within our societal framework have created the downward environment that Salmon Run has experienced since opening.



Filename: Brookings Strategic Vision Report - Final - 5 9 12
Directory: C:\Business\Golf Convergence\Clients - Active\City of
Brookings\Business Plan
Template: C:\Users\Golf
Convergence\AppData\Roaming\Microsoft\Templates\Normal.dotm
Title:
Subject:
Author: Golf Convergence
Keywords:
Comments:
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Last Saved By: Golf Convergence
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As of Last Complete Printing
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Number of Words: 15,797 (approx.)
Number of Characters: 90,043 (approx.)

CITY OF BROOKINGS

COUNCIL AGENDA REPORT

Meeting Date: May 14, 2012

Originating Dept: Police

 2/78/13/201
Signature (submitted by)

City Manager Approval

Subject:

Shooting Range Lease Agreement with South Coast Lumber Company

Recommended Motion:

Review, approve and execute two signed copies to be forwarded to South Coast Lumber Company, who will then return one fully executed copy to the City.

Financial Impact:

None

Background/Discussion:

Legal representatives for South Coast Lumber Company were tasked with reviewing/updating existing leases for property owned by South Coast Lumber Company. It was discovered the lease agreement with South Coast Lumber Company and the City of Brookings for the Police Shooting Range located up Carpenterville Road was outdated and had been originally executed December 12th 1985. Legal representatives for South Coast Lumber Company drafted a new Shooting Range Lease Agreement which has been reviewed and agreed to by both the City of Brookings Attorney as well as South Coast Lumber Companies Attorney.

Policy Considerations:

None

Attachment(s):

Copy of 1985 Lease Agreement

Copy of new Shooting Range Lease Agreement

Reminder

LEASE

Effective on the dates assigned here below, South Coast Lumber Company, hereinafter referred to as the lessor, and the Police Department of the City of Brookings, hereinafter referred to as the lessee, do enter into this lease agreement of and for certain real property owned by South Coast Lumber Company according to the terms and provisions herein contained.

1. The term of this lease shall commence on the 15th day of December, 1985 and shall continue until December 14th, 1986; and further, the term hereof shall be automatically renewed for additional successive one-year periods unless either party hereto gives the other thirty days written notice of the termination of this lease.
2. As and for consideration of the lease premises, the lessee shall pay to the lessor the sum of \$1.00 (One Dollar) per year.
3. The description of the real property subject of this lease is as more fully set forth on Exhibit A attached hereto and by such reference incorporated herein.
4. It is the intendment of the parties hereto that the lessee shall use the leased premises for a practice shooting range (and other auxiliary activities connected therewith) and for no other purpose without obtaining lessor's written consent.
5. Upon the termination of this lease, the lessee shall remove any fixtures, improvements or other such personal property that it may have placed upon the premises during the tenure thereof; and further, said lessee shall vacate the premises leaving it in a good state of repair.
6. The lessee shall indemnify, save and hold harmless the lessor from any of its activities on the premises, including the indemnification of said lessor of and against any claims, demands, causes of any actions or suits made by any person whomsoever occasioned by said lessee's use and occupation of the premises.
7. This lease may be amended or modified from time to time, as the parties see fit, upon their entry into further written addenda pertaining to said use and occupancy of premises.

Dated this 12th day of December, 1985

✓ 12/12/85

RECEIPT Date Dec 12 1985 5495

Received From City of Brookings

Address _____

One + 10/100 Dollars \$ 1.00

For Shooting Range Lease through
12-14-86

| ACCOUNT | | HOW PAID | |
|-----------------|--|----------|---|
| AMT. OF ACCOUNT | | CASH | ✓ |
| AMT. PAID | | CHECK | |
| BALANCE | | MONEY | |

South Coast Lumber Co.

P87 R. F. Inett

SHOOTING RANGE LEASE AGREEMENT

This Shooting Range Lease Agreement (the "Agreement") is made and entered into effective as of this _____ day of April, 2012 (the "Effective Date"), by and between SOUTH COAST LUMBER CO., an Oregon corporation ("Lessor"), as landlord, and THE CITY OF BROOKINGS, an Oregon municipal corporation ("Lessee"), as tenant. This Agreement amends, replaces and supersedes in its entirety that certain Lease dated December 12, 1985, between Lessor and Lessee (the "Prior Lease").

Recitals

A. Lessor owns that certain real property located in Curry County, Oregon, together with all related practice shooting range facilities, including (without limitation) all fields, buildings and other improvements, ingress and egress routes, driveways, parking areas, easements and any other hereditaments related thereto or located thereupon (collectively, the "Property"), as more generally described and depicted on Exhibit "A" attached hereto.

B. The Lessee, through its Police Department, desires to use the Property from the Effective Date until the first (1st) anniversary thereof (the "Term"), to engage in practice target shooting and all reasonably related activities including (without limitation) ingress and egress of Lessee onto the Property and parking upon the parking facilities located thereupon (collectively, the "Allowed Use").

C. The Lessee has requested of the Lessor that the Lessor lease the Property to Lessee, and the Lessor has agreed to so lease the Property to Lessee, subject to and in accordance with the terms and provisions more particularly set forth below.

Agreement

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are both hereby acknowledged and agreed to by the Lessor and Lessee (individually, a "Party," and collectively, the "Parties"), the Parties agree as follows:

1. Lease of Property; Rent; Extension.

Lessor hereby leases the Property to Lessee during the Term, and Lessee agrees to lease the Property from Lessor and only use the Property for the Allowed Use. Lessee shall pay to Lessor as rental hereunder an annual payment in the amount of \$1.00 (the "Rent"). This Agreement shall terminate immediately upon expiration of the Term, but the duties, obligations and liabilities of the Lessee set forth herein shall survive expiration of the Term. Notwithstanding the foregoing, the Parties agree and acknowledge that if neither Party delivers to the other Party a written notice terminating this Agreement within the sixty (60) day period preceding the expiration of the Term (as may be hereby extended), then the Term shall annually be automatically extended for an additional one (1) year period commencing upon the day following the then scheduled expiration date of the Term.

2. Terms and Conditions

The Parties hereby agree, acknowledge and understand that Lessee's leasehold rights hereunder shall at all times be subject to the following terms and conditions:

(a) The Allowed Use and any other activities of Lessee or its guests, members, invitees or agents (collectively, the "Guests") performed upon the Property pursuant to this Agreement shall occur in a safe, reasonable and prudent manner in compliance with all state and federal health and safety rules and regulations, including (without limitation) all rules and regulations pertaining to firearm use and safety, fire prevention and litter and garbage control. To that effect, the Lessee agrees that it shall provide its own janitorial services and shall maintain and keep the Property in a safe, clean, presentable condition in good and sanitary order, condition and repair during the Term at its sole and absolute cost and expense, and, at the expiration of the Term, shall deliver the Property to the Lessor in no worse condition than as existed at the commencement of the term of the Prior Lease, all to the end that the Allowed Use upon the Property shall be performed at no cost or expense to the Lessor and with no unreasonable damage or destruction to the Property. Additionally the Property must remain gated and locked at all times when not in use by Lessee.

(b) The Parties agree and acknowledge that Lessee intends to invite as initial Guests upon the Property to engage in the Allowed Use the Curry County Sheriffs Office, the Oregon State Police and the United States Coast Guard (each, an "Identified Guest," and collectively, the "Identified Guests"). Lessee shall have the ability from time to time to approve or disapprove of the parties listed as Identified Guests and other Guests that may be allowed to engage in the Allowed Use hereunder; provided, however, that the Lessor shall retain the ultimate authority, in its sole and absolute discretion to approve or disapprove of Identified Guests or other Guests, taking into account any information that Lessor deems pertinent. Notwithstanding the terms set forth in Section 11 below restricting assignment of the rights of Lessee hereunder, Lessor hereby approves the Identified Guests as initial parties allowed to engage in the Allowed Use upon the Property; provided, however, that each of the Identified Guests first executes a Shooting Range Sublease Agreement in form and substance similar to this Agreement, whereby the respective Identified Guest agrees to be bound by all of the material terms hereof. Lessee agrees that Guests, as defined herein, shall only include (i) licensed law enforcement personnel in good standing, (ii) individuals who maintain a legal concealed weapon permit, (iii) individuals who are students in concealed weapons classes, or (iv) individuals who are specially invited by the Lessee or Invited Guests to use the Property to work on their shooting skills; provided, however, that the parties described in subsections (ii), (iii) and (iv) may only be Guests so long as such parties are at all times accompanied by a licensed law enforcement personnel in good standing.

(c) The Lessor reserves for itself and its employees and for applicable fire and emergency services and their vehicles and personnel with jurisdiction over the Property (the "Emergency Services") the right at all times for any purpose, to enter the Property in a manner and at any location that will not unreasonably interfere with the rights of the Lessee hereunder. The Lessee agrees that it shall in no way interfere with the reasonable access to the Property of the Lessor or the Services. Lessee will ensure at all times during the Term that all routes of ingress and egress through the Property are unencumbered and accessible to all Services in case

of emergency or other situations requiring the need of the Services, and Lessee further agrees to suspend the discharge of all firearms upon the Property at any time that the Services, Lessor or its employees reasonably request that Lessee so suspend such activities. Additionally, Lessee agrees and acknowledges that at no time shall any vehicle of any Guest be parked overnight at the Property, nor may any Guest spend the night upon the Property.

(d) Lessee and all other Guests understand and acknowledge the inherent dangers that may be caused by the actions or inactions of the Guests upon the Property and the conditions under which the Allowed Use is conducted. Lessee understands the nature of the Allowed Use, and acknowledges that each of the Guests shall be qualified to participate in the Allowed Use. Lessee and all other Guests are aware that there may be other persons upon the Property during the Term and further agree and warrant that, if at any time Lessee or any Guest believes the conditions upon the Property to be unsafe, Lessee will immediately discontinue further participation of Lessee and all Guests in the Allowed Use. Additionally, Lessee further agrees that Lessee and all Guests shall: (i) take all reasonable precaution to prevent unauthorized persons from using the Property; and (ii) immediately report to Lessor any dangerous or defective condition with respect to any portion of the Property.

(e) Lessee has inspected the Property and is familiar with conditions and accepts them for use in their present condition. In entering this Agreement, Lessee is not relying on any other representations as to the present or future condition of the Property, or the condition of the buildings, access roads or parking areas located thereupon. Lessee agrees that in consideration of this Agreement, and the inspection and prior use of the Property made by Lessee prior to the execution hereof, Lessee waives any and all claims to any damage or damages by reason of death or injury to any party, caused by reason of any acts or conditions whatsoever. The Parties further agree that Lessee is aware that Lessor engages in felling, cutting, hauling away of trees, and other forest products situated and growing upon the property of Lessor located in the vicinity of the Property, and rock and mineral mining and hauling thereupon. It shall be the duty of Lessee and all Guests to take care and to be aware of those areas on which forest practices, mining or hauling activities or similar operations are taking place.

(f) Lessee and each of the other Guests fully understand that: (i) the Allowed Use involves risks and dangers of SERIOUS BODILY INJURY, INCLUDING PERMANENT DISABILITY AND DEATH; (ii) there may be other risks and social and economic losses either not known to Lessee or the other Guests or not readily foreseeable at this time; and LESSEE AND ALL GUESTS FULLY ACCEPT ALL SUCH RISKS AND ALL RESPONSIBILITY FOR LOSSES, COSTS AND DAMAGES incurred as a result of their participation in the Allowed Use.

(g) During any time period in which any local, State or Federal governmental authority declares a fire season with respect to the Property, and in no event between May 1st and November 1st of any applicable calendar year, there shall be no fires of any type, whether contained in a barrel or otherwise, lit by Lessee or any Guests upon the Property. Further, between May 1st and November 1st smoking is prohibited except inside of an enclosed stationary vehicle, no exceptions. Additionally, Lessee and all Guests agree to refrain from any drug or alcohol use while performing any aspect of this Agreement, or while using the Property. Prohibited drug and alcohol use shall include, but is not limited to, any performance of the

Allowed Use while under the influence of any drug or alcohol, including prescription, legal, and illegal drugs or alcohol. Lessee shall require all of its Guests, including (without limitation the Identified Guests) to comply with this Section.

(h) Lessee, at its sole cost and expense, may construct minor improvements to the Property in the form of a new metal structure and additional paving and related improvements, so long as (i) Lessee first submits the applicable plans and specifications to Lessor for review and obtains Lessor's written approval with respect to the same, and (ii) Lessee promptly and fully pays all costs and fees incurred in connection with the construction. Lessee hereby indemnifies, saves, defends, protects and holds Lessor and the Property harmless from and against all claims, liens, liabilities and suits arising as a result of such construction. Any improvements constructed upon the Property by Lessee shall be deemed the property of Lessor at the expiration of the Term (as may be extended hereunder). Notwithstanding the foregoing, if Lessor provides written notice to Lessee at the expiration of the Term that it desires Lessee to remove from the Property all improvements it has placed thereupon during the Term or during the term of the Prior Lease, Lessee shall do so at no cost or expense to Lessor and shall leave the Property in the same condition that Lessee first found the Property upon the commencement of the Prior Lease.

3. Insurance; Subrogation

(a) Lessee and all Guests (including, without limitation, the Identified Guests) shall be required, before using any portion of the Property, to obtain and evidence to the Lessor a policy or policies of commercial general liability insurance covering the Allowed Use upon the Property with coverage of no less than \$10 million of umbrella or excess liability coverage for any claim for liability, including (without limitation) bodily injury or death, and, during the Term of this Agreement (as may be extended), maintain such insurance, in a form and with companies acceptable to the Lessor in its sole and absolute discretion, insuring against liability growing out of the operations of the Lessee and the Guests upon the Property. All such policies shall at all times name Lessor as an additional insured party, and include automobile liability insurance covering owned, hired and non-owned vehicles (including the "pollution from autos endorsement," 150 Form No. CA 99 48). If Lessee desires to carry a separate insurance policy covering auto liability insurance as described in the preceding sentence, such separate automobile insurance policy shall include coverage of no less than \$1 million per occurrence. Prior to commencing performance of this Agreement, the Lessee and applicable Guests shall deliver to Lessor certificates from their respective insurance carriers evidencing the coverages described herein. All certificates of insurance shall provide on their face that the policies represented thereby will not be terminated, reduced or changed without providing thirty (30) days prior written notice to Lessor. Lessee shall also require all owners of vehicles and other equipment used in connection with the performance of this Agreement to have in force and effect insurance policies satisfying the above provisions.

(b) Any policy or policies of insurance which Lessee or any Guest obtains in connection with the Property or Allowed Use, shall include a clause or endorsement denying the insurer any rights of subrogation against the Lessor to the extent rights have been waived by the Lessee prior to the occurrence of injury or loss. To that end, Lessee waives any rights of recovery against Lessor for injury or loss due to hazards of the type covered by insurance,

including fire, required to be carried hereunder or, if greater, hazards of the type covered by insurance actually maintained by the Lessee.

4. Indemnification

The Lessee shall indemnify and hold the Property and Lessor and its officers, directors, members and shareholders collectively harmless from and against any and all damages, demands, claims, losses, liabilities, injuries, penalties, fines, liens, judgments, suits, actions, investigations, proceedings, costs or expenses whatsoever (including, without limitation), reasonable attorneys' and experts' fees and costs arising out of or relating to any property damage, physical harm, physical damage or personal injury or death caused by entry on the Property by the Lessee or any other Guests in the course of performing the Allowed Use provided for in this Agreement or any other related use. The foregoing indemnity shall perpetually survive the expiration of the Term.

5. Severability

If any provisions of this Agreement are determined by any court of competent jurisdiction to be invalid or unenforceable to any extent, the remainder of this Agreement and the application of such provision to the other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

6. Entire Agreement

This document sets forth the entire and complete agreement between the Parties with respect to the subject matter hereof. Any prior agreements, commitments, or representations, express or implied, between the Parties are superseded by this Agreement, including (without limitation) the Prior Lease. This document may be altered, amended, or repealed only by a written instrument executed by both Parties.

7. Laws, Regulations and Orders.

Lessee and all Guests shall at all times comply with all applicable federal, state and local laws, rules and regulations including (without limitation) those pertaining to labor, wages, hours, and working conditions, and all Environmental Laws (collectively, "Applicable Laws"), with respect to the use of Property in connection with this Agreement. Lessee and all Guests are prohibited from managing, using, transporting, generating and disposing of any Hazardous Substance in violation of Environmental Laws or substances deemed illegal under Applicable Laws on the Property or any other lands owned by Lessor. For purposes of this Agreement, the term "Environmental Laws" means any federal, state, local law, statute, ordinance, regulation or order and all amendments thereto pertaining to human health, environmental conditions or Hazardous Substances applicable to the Property, including (without limitation) the Endangered Species Act, 16 U.S.C. § 1531-1544 (1998) and any Amendments thereto (the "ESA"). For purposes of this Agreement, the term "Hazardous Substance" shall mean any hazardous or toxic substances, materials or wastes, or pollutants or contaminants as defined, listed or regulated by any Environmental Law or by common law decision including, without limitation, chlorinated solvents; petroleum products or by-products; asbestos; and polychlorinated biphenyl. The foregoing shall in no way be deemed to prohibit the Lessee or its Guests from managing or using

gunpowder or ammunition upon the Property in accordance with Applicable Laws and the terms and provisions hereof. In addition to all other indemnities set forth herein, Lessee shall save, protect, defend, indemnify, and hold harmless Lessor and the Property and the respective employees, agents, contractors and subcontractors of the Lessor from and against (i) any and all loss, damage, cost, expense, or liability (including reasonable attorney fees) resulting from any lawsuit whatsoever or governmental enforcement action (collectively, an "Action") brought against the Lessor or Property in connection with a violation of Environmental Laws caused by the activities of Lessee or its Guests upon the Property, and (ii) the reasonable costs of repairs and improvements necessary as a result of an Action to return the Property or any other lands owned by Lessor to the physical condition existing prior to the use, manufacture, storage, release, or disposal of a Hazardous Substance or other illegal substance thereupon by Lessee or its Guests in violation of Applicable Laws, including (without limitation) Environmental Laws. This indemnity shall survive the termination of this Agreement.

8. Termination, Default and Remedies.

Lessor may terminate this Agreement upon ten (10) days written notice to Lessee for any material breach under the terms of this Agreement. In the event of a breach of this Agreement by Lessor, Lessor shall not be liable for any direct, indirect, incidental, punitive, consequential, or speculative damages, whether in contract or tort. The remedies provided herein are cumulative and in addition to any other remedies to which Lessor is entitled in the case of a material breach or threatened material breach of this Agreement, whether provided in law or in equity. Additionally, Lessor may, in its absolute discretion, for any reason (including fire, safety or other reasons) temporarily curtail or suspend Lessee's operations under this Agreement, whether or not Lessee is in breach hereof.

9. Attorneys' Fees

With respect to any dispute relating to this Agreement, or in the event that a suit, action or other proceeding of any nature whatsoever, including, without limitation, any proceeding under any bankruptcy court and involving issues peculiar to bankruptcy law, or any action seeking a declaration of rights or an action for rescission, is instituted to interpret or enforce this Agreement or any provision of this Agreement, the prevailing Party shall be entitled to recover from the non-prevailing Party its reasonable attorneys', paralegals', accountants', and other experts' and professional fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the judge or arbitrator at trial or other proceeding, or on any appeal or review, in addition to all other amounts provided by law. The determination of who is the prevailing Party and the amount of reasonable attorneys' fees to be paid to the prevailing Party shall be decided by the court or courts, including any appellate court, in which such matter is tried, heard, or decided, including a court which hears a request to stay litigation. In making the determination of who is the prevailing Party, the Parties agree that an award of money damages shall be one factor in the court's or courts' decision, but shall not be the only factor. Other factors for the court or courts to consider shall include, but not be limited to, the number, size and importance of claims asserted by the Party in whose favor a monetary award was made, but on which it did not prevail, the size of any monetary award in relation to the amount requested and the resolution of non-monetary issues. To aid in the court determination of who is the prevailing Party and the reasonableness of the award of attorney fees, the court shall be entitled to compare the final award to the Parties' settlement offers made

in writing prior to the arbitration hearing or legal proceeding, as the case may be.

10. Applicable Law; Venue.

This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon. In addition, the Parties agree that in the event of any dispute concerning this Agreement, venue for any cause of action arising out of, or having to do with, this Agreement shall be, and is, in Curry County, Oregon.

11. Successors and Assigns; Assignment.

This Agreement shall be binding upon and inure to the benefit of the Parties, their heirs, successors and assigns. Notwithstanding the foregoing, the Parties agree that Lessee shall not be able to sublet the Property or assign its rights hereunder to any third party except an Identified Guest unless (a) Lessor consents in writing to the sublease or assignment, which consent may be withheld, conditioned or delayed in Lessor's sole and absolute discretion, and (b) the sublessee or assignee executes a Shooting Range Lease (or Sublease) Agreement in form and substance similar to this Agreement, whereby the sublessee or assignee agrees to be bound by all of the material terms hereof.

12. Counterparts

This Agreement may be executed in two or more counterparts, whether by facsimile or .pdf electronic transmission or otherwise, and each counterpart shall be deemed to be an original, but all of which together shall constitute one and the same instrument upon delivery of one such counterpart by each party to this Agreement.

13. Authority

The individual or individuals respectively executing this Agreement on behalf of the Lessee represent, promise, warrant and pledge unto the Lessor that they have all requisite right, title, power and authority to execute this instrument on behalf of the Lessor.

[Signatures contained on following page]

The Parties hereto have executed this effective as of the Effective Date.

LESSOR:

**SOUTH COAST LUMBER CO., an Oregon
corporation**

Dated: April __, 2012

By: _____
Name: _____
Title: _____

LESSEE:

**THE CITY OF BROOKINGS, an Oregon
municipal corporation**

Dated: April __, 2012

By: _____
Name: _____
Title: _____

Exhibits

"A" - Description/Depiction of Property

EXHIBIT "A"

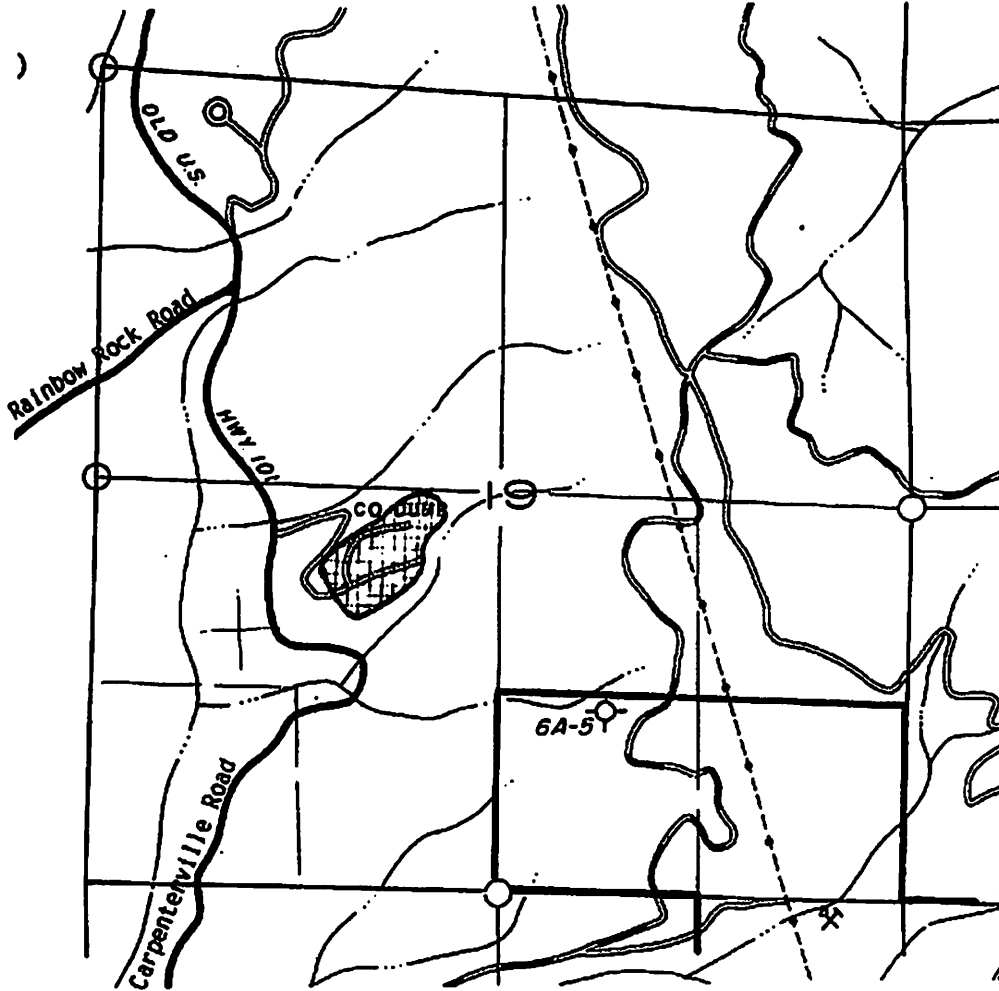
Description/Depiction of Property

The shooting range is located on a parcel of land owned by South Coast Lumber Company and previously used by Curry County as a sanitary land fill. The range is located approximately 120 yards up an access road, the access road beginning approximately 2.1 miles up Carpenterville Road from U.S. 101. The range is approximately 120 yards in width and 200 yards in length and is located in the northeast quarter of the southwest quarter of Section 19, Township 40 south, Range 13 west, Curry County, Oregon.

The above described area is indicated on the attached map by means of a grid pattern.

South Coast Lumber Company

Section 19 Township 40 S. Range 13 W.

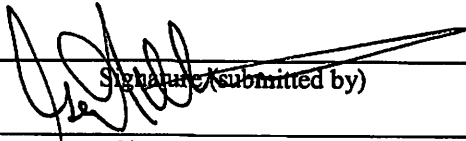


CITY OF BROOKINGS

COUNCIL AGENDA REPORT

Meeting Date: May 14, 2012

Originating Dept: City Manager



Signature (submitted by)

City Manager Approval

Subject: Today in America

Recommended Motion:

Authorize the City Manager to pursue a contract with Today in America.

Financial Impact:

\$19,800 fee; not budgeted.

Background/Discussion:

We have been contacted by the television program "Today in America" (see attached), a promotional company that develops a short segment promoting a community and then arranges to air the segment on Fox News and CNN. I spoke with the producer (the salesman) and we had a nice conversation about why Brookings is a good place to visit, invest, live and work.

The City would own and be licensed to use the final product in any manner it chooses, including posting it on *You Tube*, on the City's website and public television channel, or reproducing it for distribution on DVD.

The segment is a five-minute spot hosted by Terry Bradshaw. It would air one-time on the FOX Business Network and 19 times on CNN Headline News with the theme "Best Places to Live, Work and Play." In the initial contact, staff was advised that they were selecting one community in various regions of the country. Staff has since learned that the Cities of Crescent City, CA, and Newport, OR, have contracted with "Today in America" for this service.

The City Manager had a similar inquiry 10+ years ago while working in Fort Bragg. That City was headed down the path until the contract arrived with the fee amount. The "Today in America" producer was up front about the fee: \$19,800.

Staff contacted the City of Elizabethtown, Kentucky (the City in the attachment) and they said they had a good experience with these people, although they have not seen the final product yet.

Staff contacted several Brookings-based marketers to solicit their opinion as to whether this is a project worth pursuing. We received mixed responses.

Staff was contacted by the Brookings Homebuilders Association (BHA) to express interest in participating financially in the program. They were in general support of the proposal and encouraged the City to seek additional sponsorships; no specific financial commitment was made. Most of those present at the BHA meeting agreed to contribute \$100 each.

Attachment(s):

- a. Local Focus article on City of Newport Today in America project.
- b. Yahoo News article on City of Elizabethtown Today in America project.



CITY NEWS

■ ■ ■

NEWPORT – National Spotlight



Like nearly all cities, Newport collects a room tax on hotel and vacation housing rentals.

By law, a percentage of room tax funds must be spent on tourism-related marketing. Last month, the city made the decision to invest some of these tourism funds in a national television appearance later this year on the Discovery Channel.

City officials were recently approached by a production team from the show "Today in America" about participating in one of its five-minute segments called "Discovering America: Hidden Gems to Live, Work and Play." At a meeting last month, the city council signed off on a \$25,000 marketing deal that includes one national appearance on the Discovery Channel and 34 regional showings on CNN Headline News in 50 markets of the city's choosing. Production of the segment is expected to begin in May.

As part of the deal, the city will approve the script and the editing of the segment and will retain the right to reuse any footage.

Sources: City of Newport, *Newport News-Times*

GLADSTONE – "Above and Beyond"



At its recent annual meeting, the Gladstone Police Department presented its Officer of the Year award to co-recipients: Sergeants Jose Gutierrez and Robert Adams.

The award usually goes to an individual, but when the department voted this year on a candidate, the result was a tie between the two interim sergeants. The award is given to an officer who goes "above and beyond" in their duties while exemplifying the department's core values.

Because two of Gladstone's three sergeants were on leave last year, nearly all members of the force had to work extra overtime. According to Gladstone Police Chief Jim Pryde,

the tie vote was the force's way of showing its appreciation for the way Adams and Gutierrez "stepped up."

There were also co-recipients for the Chief's Award, given out at Pryde's sole discretion to "unsung hero" officers who he felt worked to improve the department behind the scenes. That award went to Sgt. Wayne Lawrence and Officer Steve Mixson. Lawrence stepped into a leadership role while the two sergeants were on leave. Mixson works alongside Dino, a 3-year-old Belgian Malinois in the department's new K-9 Division.

The department also presented two citizen awards. The Volunteer of the Year award, given to a citizen who dedicates time to improve the city of Gladstone, went to Len Nelson, who helps the department with traffic speed monitoring, emergency management support and serves on the Gladstone City Council. The Citizen of the Year award was presented to Kim Sieckmann, a planning commissioner who has helped Gladstone neighborhoods come together for National Night Out events in 14 areas of the city.

Sources: City of Gladstone newsletter, *Clackamas Review*

(continued on page 22)



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YAHOO! NEWS

Today in America TV Introduces Elizabethtown, Kentucky in New Series

 **PRWeb** PRWeb Fri, Jan 27, 2012

Today in America TV visits Elizabethtown in new series "Hidden Gems to Live, Play and Work. E'town gets its cool on.

Coral Springs, FL (PRWEB) January 27, 2012

The Producers of Today in America TV are pleased to introduce Elizabethtown, Kentucky in our new series "Hidden Gems to Live, Play and Work", which will air on local and regional cable networks.

Elizabethtown, or E'town as the locals call it, is surrounded by three main highways connecting it to Indiana, Ohio and Tennessee. It's 35 miles north of Louisville. It offers every type of transportation such as highway, air, rail and river, making it easily accessible. They are within a day's drive of two-thirds of the nation's population. Speaking of which, theirs is approximately 22,000.

E'town is spacious. Check out their massive green areas which offer a plethora of pluses for business and future residents. Its low cost living means affordable housing. Low taxes and low utility rates are always a welcome break to both industry and citizens. Healthcare is within easy access with the 300 bed regional Hardin Memorial Hospital and 18 other acute-care hospitals are within 30 miles in Louisville.

Today in America TV with Terry Bradshaw scours the country for the most compelling stories about business, location and ideas that affect the daily lives of everyone. Topics include family and lifestyle, medical breakthroughs as well as other subjects important in our lives. Our new "Hidden Gems" series explores the smaller cities and towns where living is like it was back in the day. It airs on most local and regional cable networks. For more information on Today in America TV, please visit our website at todayinamericatv.com.

Wanna visit? Contact:

Elizabethtown Tourism & Convention Bureau

1-800-437-0092

Elizabethtownky.org

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Evan Golden
Blaze Branding Group
954.671.1075
Email Information



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City of Brookings

City Council Meeting MINUTES

Monday, April 23, 2012, 7:00pm

City Hall Council Chambers, 898 Elk Drive, Brookings, OR 97415

Call to Order

Mayor Anderson called the meeting to order at 7:00pm.

Roll Call

Council Present: Mayor Larry Anderson, Councilors Ron Hedenskog, Dave Gordon, Jake Pieper, and Brent Hodges; a quorum present.

Staff Present: City Manager Gary Milliman, Administrative Services Director Janell Howard, Planning Director Dianne Morris, Public Works Director Loree Pryce, Police Lieutenant Donny Dotson, City Attorney Martha Rice and City Recorder Joyce Heffington.

Others Present: Curry Coastal Pilot Editor Scott Graves and approximately 10 others, including four new staff members.

Ceremonies/Appointments/Announcements

New employee introductions.

Director Howard introduced Accounts Receivable Clerk Kim Kennedy, and Accounts Payable/Payroll Specialist Bonnie Anderson and Lieutenant Dotson introduced Communications Officer Lindsey Belleque and Police Officer Jaired Freeman.

Public Hearings/Ordinances/Resolutions/Final Orders

Public Hearing in the matter of File LDC-1-12.

Mayor Anderson opened the legislative public hearing in the matter of File LDC-1-12, revisions to Brookings Municipal Code Chapter 17.170.100 at 7:08pm.

Hearing no exparte, declarations of conflict or personal interest, or objections as to jurisdiction, Mayor Anderson reviewed the guidelines and Director Morris reviewed the staff report and said that Councilor Hedenskog had proposed revisions to the language as stated in a Memo dated April 23, 2012, which were distributed to Council at the beginning of the meeting.

There were no public comments and the hearing was closed at 7:16pm.

Councilor Hedenskog moved, a second followed and Council voted unanimously to accept changes of revisions to Brookings Municipal Code Section 17.170.100.E, Access Management, Reverse Frontage, with [revised wording] to [the second sentence of] paragraph two of that section [to] read, "Access rights to these lots to the arterial shall be dedicated to the city and shown on the recorded plat."

Ordinance 12-O-696 amending Section 17.170.100.E.

Mayor Anderson introduced Ordinance 12-O-696 amending Section 17.170.100.E, Reverse Frontage, of the Brookings Municipal Code.

Councilor Hedenskog moved, a second followed and Council voted unanimously to do a first reading of Ordinance 12-O-696 by title only.

Councilor Hedenskog read the title with the changes as approved under the public hearing.

Councilor Hedenskog moved, a second followed and Council voted unanimously to do a second reading of Ordinance 12-O-696 by title only.

Mayor Anderson read the title.

Councilor Hedenskog moved, a second followed and Council voted unanimously to adopt Ordinance 12-O-696 [amending Brookings Municipal Code Section 17.170.100.E, Reverse frontage, of the Land Development Code].

Resolution 12-R-977 establishing a Health Reimbursement Arrangement/Voluntary Employee's Beneficiary Association ("HRA VEBA") Plan.

Director Howard reviewed the staff report.

Councilor Pieper moved, a second followed and Council voted unanimously to adopt Resolution 12-R-977, establishing a Health Reimbursement Arrangement/Voluntary Employee's Beneficiary Association plan.

Staff Reports

Public Art Committee recommendations for City-owned art.

Director Morris reviewed the staff report.

Public Art Committee member Tim Rolek provided an example of a piece of City art that has deteriorated beyond salvaging as one of the aerial photos in Council Chambers and said the matrix would also be used to keep track City-owned art over time.

Councilor Hodges asked if the museum might have a use for some of the pieces that are listed for destruction on the matrix and Rolek said that was a possibility.

Councilor Pieper asked if the curator role mentioned in the staff report would be a part of this action and Director Morris said that it would.

Councilor Piper moved, a second followed and Council voted unanimously to authorize the Public Art Committee to proceed with recommendations as stated in the City-owned art matrix.

Award construction contract for Cove Road Realignment Project.

Director Pryce provided the staff report.

Mayor Anderson asked if the sewer and storm mains in the project area were in good shape and Pryce responded that was her understanding. Anderson said he thought it was of paramount importance that the City be certain that these lines were in good condition so they would not have to be replaced at a later date. Pryce said that Bi-Mart had made storm drain improvements on Memory Lane and she didn't see any need of any additional drainage improvements at this time.

Councilor Hodges moved, a second followed and Council voted unanimously to award the contract for construction of the Cove Road Realignment Project

for Base Bid and Alternatives #1 and #2 to Tidewater Contractors, Inc., the lowest responsible bidder, in an amount not to exceed \$399,434.

Authorization to execute an agreement with ODOT to upgrade to a pedestrian activated flashing beacon at the crosswalk in front of the Redwood Theatre.

Director Pryce gave the staff report.

Councilor Hedenskog moved, a second followed and Council voted unanimously to accept the ODOT upgrade [of a pedestrian activated flashing beacon] to the crosswalk in front of the Redwood Theatre.

Authorization to execute Amendment #1 to the ODOT 2011 Fund Exchange Agreement.

Director Pryce provided the staff report.

City Manager Milliman added that the fund exchange allows the City to trade federal dollars for state dollars which are less costly to administer.

Councilor Hodges moved, a second followed and Council voted unanimously to execute Amendment #1 to ODOT, 2011 Fund Exchange Agreement #27580.

Authorization to execute an agreement with Brookings Harbor Chamber of Commerce for either 1) tourism promotion services for July 1, 2012 through June 30, 2017, or 2) tourism promotion services for the same period with an overall reduction of \$5,000 in fiscal year 2012-13 to fund a downtown holiday decoration program proposed by the Brookings Merchants Association (BMA).

City Manager Milliman provided the staff report.

Ken Bryan, 215 Cypress Street, Chamber Chair read the Chamber letter which was included in the packet and requested renewal of the existing agreement with noted changes for the next five years.

Candace Michel, 1253 Rowland Lane, BMA Treasurer, generally commented that the BMA had not requested the City to take the \$5,000 they were requesting for holiday decorations from the Chamber's funds. Michel added, "We do not want to make enemies and that's what this had done."

Tim Patterson, 621 Chetco Avenue, generally commented that the City should limit the Chamber contract to one year, review the process being used to allocate tourism funding, and use a neutral third party to evaluate City sponsored events.

Councilor Hodges asked what funds could be used to fulfill the \$5,000 request made by the BMA and City Manager Milliman said that any general fund could be used for a general government purpose. Councilor Hodges added that the Chamber and BMA should work together to decide where the money should go.

Councilor Pieper said that the Chamber is doing a good job and he expected they would continue to do so, but he said he had an issue with contracting this service to one entity over such a long period of time without a competitive process. He said he was ready to look at allocating tourism funds to another organization in addition to the Chamber.

Councilor Hedenskog said he thought it might be time to look at forming a tourism committee and that he was willing to shorten the contract period. He said he wondered what might would happen at the Budget Committee level if Council decided to allocate \$5,000 of the City's tourism dollars. Hedenskog also said that the idea of taking \$5,000 from the tourism budget to pay for holiday decorations had not come from the BMA, but rather from him or someone else during a public meeting.

In response to Hedenskog's question about the allocation at the Budget Committee level, Director Howard said that Council is the ultimate decision making body, and Council could decide at any time in the budget year to allocate this funding in a number of ways.

Councilor Gordon said that transient room tax dollars are used by the Chamber to promote local tourism and once tourists are here they spend their money here and that BMA member businesses benefit from tourists brought here through the Chamber's efforts the same as any other business. Gordon said that he did not think there was another local organization that could provide the same level of service the Chamber provides for the same amount of funding and added that the Chamber spends a lot more on tourism that is expressed in the transient room tax dollars provided by the City.

Mayor Anderson mentioned that some of the motels are transitioning from short-term rentals to long-term rentals, which is a new use in this area, and he wasn't sure how the City was monitoring this situation. Anderson said he thought the City was missing dollars. He also said that the City used to have holiday lighting and felt that it enhanced the tourist experience during the holiday season.

Councilor Hodges said he would support a shorter contract term, and while he thought holiday decorations were a good idea, he also thought a fund raiser might be a better way to obtain funding. He then asked about the appearance of \$5,000 for holiday decorations as a separate line item on the budget.

City Manager Milliman said the \$5,000 line item had been included so that Council could consider funding that project as part of a balanced budget.

Councilor Pieper said that the Chamber is included as a line item on the budget as well, while other contracted items are not and he wanted to make it clear that the Budget Committee does not decide with whom the City contracts. He also said that he was willing to look at other ways to handle tourism funding in the future, but not this year. He said he was agreeable with limiting the contract to one year.

Councilor Gordon said he could agree with the limitation on the contract period but he was not in favor of taking \$5,000 from the Chamber funding for holiday decorations.

In response to the Mayor's comments about room rentals, City Manager Milliman said that in one of his previous cities, an audit was undertaken to determine compliance with the City's tax codes. Milliman suggested that further Council discussion take place on this topic before moving forward.

Councilor Pieper moved, Councilor Hedenskog seconded, and the motion failed, 2 to 3, with Councilor Pieper and Councilor Hedenskog voting "Yes" and Mayor Anderson, Councilor Gordon and Councilor Hodges voting "No," to authorize execution of an agreement with the Brookings Harbor Chamber of

Commerce for tourism promotion services for July 1, 2012 through June 30, 2013, with an overall reduction of \$5,000 in fiscal year 2012-13 to fund a downtown holiday decoration program proposed by the Brookings Merchants Association.

Councilor Hodges moved, Councilor Gordon seconded, and the motion passed, 3 to 2, with "Yes" votes from Mayor Anderson, Councilor Gordon and Councilor Hodges and "No" votes from Councilor Pieper and Councilor Hedenskog, to authorize execution of an agreement with Brookings Harbor Chamber of Commerce for tourism promotion services for July 1, 2012 through June 30, 2013,

Consent Calendar

1. Approve Council minutes for March 26, 2012.
2. Approve Council minutes for March 29, 2012.
3. Approve Council minutes for April 9, 2012.
4. Approve reinstatement of Yard of Month Program in two categories and the purchase of two new signs.
5. Accept March, 2012 Vouchers in the amount of \$419,201.
6. Receive monthly financial report for March, 2012.

Councilor Hedenskog moved, a second followed and Council voted unanimously to approve the Consent Calendar as written.

Adjournment

Councilor Gordon moved, a second followed and Council voted unanimously to adjourn by voice vote at 8:52pm.

Respectfully submitted:

ATTESTED:
this _____ day of _____ 2012:

Joyce Heffington, City Recorder

MINUTES
BROOKINGS PLANNING COMMISSION
March 6, 2012

The regular meeting of the Brookings Planning Commission was called to order by Chair Markham at 7:00 in the Council Chambers at the Brookings City Hall on the above date with the following Commission members and staff in attendance.

Commissioners Present: Cheryl McMahan, Hedda Markham, Jerry Wulkowicz, Ken Bryan, Curtis Williams, Kelly McClain

Commissioners Absent: Bryan Tillung,

Staff Present: Planning Director Dianne Morris, Sr. Planner Donna Colby-Hanks and Secretary Alex Carr-Frederick *Others Present:* 0 members of the public

PLANNING COMMISSION CHAIRPERSON ANNOUNCEMENTS

Planning Director Morris asked the Commission to sign a letter in support of the City's TIGER 4 Grant application. With some discussion regarding grammatical correctness, Commissioner McMahan made a motion and Commissioner Wulkowicz seconded it approving the letter of support.

APPROVAL of MINUTES

By a 4-0 vote (motion: Commissioner Bryan, 2nd Chair Markham, Commissioners McClain and Williams abstaining) the Planning Commission approved the minutes of the February 7, 2012 PC meeting.

COMMENTS from the PLANNING STAFF & COMMISSION

Planning Director Morris shared a photo of the Planning Commission in action that DLCD will be using in one of their new training videos. Director Morris also informed the Commission that their denial of a recommendation for the proposed changes to Chapter 17.172.080, Subdivisions, Final subdivision plat approval presented at the January PC meeting prompted a City Council workshop on the matter. Council changed the language to include the Planning Commissions' being notified of any changes to future Subdivision plats and being afforded the opportunity to bring any concerns they may have regarding the plat's conformity to the original plan to the attention of the City Manager.

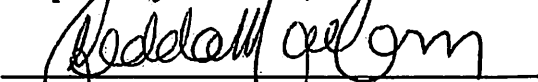
Director Morris also bid a fond farewell to Commissioner Ken Bryan who will not be returning in the coming year. The Commission and staff sincerely thank him for his service.

Sr. Planner Donna Colby-Hanks offered a brief training on understanding and applying applicable criteria.

ADJOURNMENT

With no further business before the Planning Commission, the meeting closed at 7:22 pm.

Respectfully submitted,



Hedda Markham, Chair (approved at the 4/3/12 meeting)

Report Criteria:

Report type: Summary

| GL Period | Check Issue Date | Check Number | Vendor Number | Payee | Check GL Account | Amount |
|-----------|------------------|--------------|---------------|--------------------------------------|------------------|-----------|
| 04/12 | 04/03/2012 | 88042 | 2089 | OVFA | 10002005 | 530.00- V |
| 04/12 | 04/05/2012 | 88055 | 4828 | American Press, Inc | 10002005 | 185.00 |
| 04/12 | 04/05/2012 | 88058 | 342 | Applied Industrial Technology | 10002005 | 1,032.74 |
| 04/12 | 04/05/2012 | 88057 | 3238 | AT&T Mobile | 10002005 | 59.53 |
| 04/12 | 04/05/2012 | 88058 | 4909 | AterWynne LLP | 10002005 | 2,552.50 |
| 04/12 | 04/05/2012 | 88059 | 4920 | Amber Bachman | 10002005 | 200.00 |
| 04/12 | 04/05/2012 | 88080 | 3034 | BAVCO Apparatus & Valve Co | 10002005 | 428.70 |
| 04/12 | 04/05/2012 | 88081 | 3822 | Boardwalk Mail Services | 10002005 | 12.39 |
| 04/12 | 04/05/2012 | 88082 | 147 | Brookings Glass Inc | 10002005 | 480.00 |
| 04/12 | 04/05/2012 | 88083 | 313 | Brookings Vol Firefighters | 10002005 | 2,250.00 |
| 04/12 | 04/05/2012 | 88084 | 148 | Brookings-Harbor Chamber of Commerce | 10002005 | 2,924.59 |
| 04/12 | 04/05/2012 | 88085 | 715 | Budge McHugh Supply | 10002005 | 711.18 |
| 04/12 | 04/05/2012 | 88086 | 588 | Cardinal Services Inc | 10002005 | 945.43 |
| 04/12 | 04/05/2012 | 88087 | 528 | Caselle, Inc | 10002005 | 739.33 |
| 04/12 | 04/05/2012 | 88088 | 1840 | Chetco Federal Credit Union | 10002005 | 3,053.00 |
| 04/12 | 04/05/2012 | 88089 | 3512 | Richard Christensen | 10002005 | 12.04 |
| 04/12 | 04/05/2012 | 88070 | 4821 | Clackamas County Sheriff's Office | 10002005 | 450.00 |
| 04/12 | 04/05/2012 | 88071 | 3834 | Clean Sweep Janitorial Service | 10002005 | 700.00 |
| 04/12 | 04/05/2012 | 88072 | 1745 | Coastal Paper & Supply, Inc | 10002005 | 181.12 |
| 04/12 | 04/13/2012 | 88073 | 2542 | Crystal Fresh Bottled Water | 10002005 | .00 V |
| 04/12 | 04/05/2012 | 88074 | 168 | Dan's Auto & Marine Electric | 10002005 | 84.93 |
| 04/12 | 04/05/2012 | 88075 | 284 | Day Management Corp | 10002005 | 98.00 |
| 04/12 | 04/05/2012 | 88076 | 185 | Del Cur Supply | 10002005 | 147.70 |
| 04/12 | 04/05/2012 | 88077 | 4376 | DHS - Cashier | 10002005 | 70.00 |
| 04/12 | 04/05/2012 | 88078 | 153 | Ferrellgas | 10002005 | 1,737.62 |
| 04/12 | 04/05/2012 | 88079 | 4848 | Frontier | 10002005 | 838.37 |
| 04/12 | 04/05/2012 | 88080 | 289 | Graininger | 10002005 | 880.30 |
| 04/12 | 04/05/2012 | 88081 | 187 | Hach Company | 10002005 | 11.09 |
| 04/12 | 04/05/2012 | 88082 | 154 | Hagen's Dry Cleaners | 10002005 | 81.00 |
| 04/12 | 04/05/2012 | 88083 | 199 | Harper, Richard | 10002005 | 300.00 |
| 04/12 | 04/05/2012 | 88084 | 3408 | IDEXX Distribution Inc | 10002005 | 753.68 |
| 04/12 | 04/05/2012 | 88085 | 4923 | Keith Schmitz | 10002005 | 40.00 |
| 04/12 | 04/05/2012 | 88086 | 182 | Kerr Hardware | 10002005 | 494.49 |
| 04/12 | 04/05/2012 | 88087 | 4807 | Kubwater Resources, Inc. | 10002005 | 721.80 |
| 04/12 | 04/05/2012 | 88088 | 1397 | L N Curtis & Sons | 10002005 | 1,346.71 |
| 04/12 | 04/05/2012 | 88089 | 328 | Les Schwab Tire Center | 10002005 | 1,086.55 |
| 04/12 | 04/05/2012 | 88090 | 4269 | Millman, Gary | 10002005 | 87.50 |
| 04/12 | 04/05/2012 | 88091 | 4487 | Net Assets Corporation | 10002005 | 290.00 |
| 04/12 | 04/05/2012 | 88092 | 329 | New Hope Plumbing | 10002005 | 329.00 |
| 04/12 | 04/05/2012 | 88093 | 2283 | Northwest Technical, Inc | 10002005 | 3,500.00 |
| 04/12 | 04/05/2012 | 88094 | 3581 | Oil Can Henry's | 10002005 | 168.28 |
| 04/12 | 04/05/2012 | 88095 | 428 | Oregon Apparatus Repair Inc | 10002005 | 5,705.38 |
| 04/12 | 04/05/2012 | 88096 | 4794 | Pacific Rlm Copy Center | 10002005 | 56.50 |
| 04/12 | 04/05/2012 | 88097 | 322 | Postmaster | 10002005 | 820.00 |
| 04/12 | 04/05/2012 | 88098 | 4749 | Matt Potts | 10002005 | 173.00 |
| 04/12 | 04/05/2012 | 88099 | 3751 | Proficient Automotive | 10002005 | 215.50 |
| 04/12 | 04/05/2012 | 88100 | 207 | Quill Corporation | 10002005 | 239.02 |
| 04/12 | 04/05/2012 | 88101 | 4922 | Red Lion Hotel on the River | 10002005 | 508.52 |
| 04/12 | 04/05/2012 | 88102 | 3 | Gregory O. Brooks | 10002005 | 129.38 |
| 04/12 | 04/05/2012 | 88103 | 3 | Joyce Anne Julian | 10002005 | 40.73 |
| 04/12 | 04/05/2012 | 88104 | 3 | Jessica Kraemer | 10002005 | 53.91 |
| 04/12 | 04/05/2012 | 88105 | 3 | Refund Overpayment | 10002005 | .00 V |
| 04/12 | 04/05/2012 | 88106 | 3954 | Riverside Manufacturing Co | 10002005 | 218.59 |

| GL Period | Check Issue Date | Check Number | Vendor Number | Payee | Check GL Account | Amount |
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| 04/12 | 04/05/2012 | 68108 | 3499 | Simplot Grower Solutions | 10002005 | 648.75 |
| 04/12 | 04/05/2012 | 68109 | 3983 | Smith & Loveless, Inc | 10002005 | 173.12 |
| 04/12 | 04/05/2012 | 68110 | 582 | South Coast Office Supply | 10002005 | 160.39 |
| 04/12 | 04/05/2012 | 68111 | 316 | South Coast Storage & Industry | 10002005 | 160.00 |
| 04/12 | 04/05/2012 | 68112 | 390 | Stadelman Electric Inc | 10002005 | 451.84 |
| 04/12 | 04/05/2012 | 68113 | 797 | Town & Country Animal Clinic | 10002005 | 335.30 |
| 04/12 | 04/05/2012 | 68114 | 136 | United Pipe & Supply Co Inc | 10002005 | 38,480.88 |
| 04/12 | 04/05/2012 | 68115 | 990 | UPS | 10002005 | 301.33 |
| 04/12 | 04/05/2012 | 68116 | 2883 | Verizon Wireless | 10002005 | 413.11 |
| 04/12 | 04/05/2012 | 68117 | 861 | Village Express Mail Center | 10002005 | 13.81 |
| 04/12 | 04/05/2012 | 68118 | 169 | Waste Connections Inc | 10002005 | 1,224.53 |
| 04/12 | 04/13/2012 | 68119 | 4734 | ARAMARK Uniform Services | 10002005 | 105.80 |
| 04/12 | 04/13/2012 | 68120 | 4183 | C & K Markets, Inc | 10002005 | 76.88 |
| 04/12 | 04/13/2012 | 68121 | 1373 | Cascade Fire Equipment | 10002005 | 1,118.00 |
| 04/12 | 04/13/2012 | 68122 | 1740 | Code Publishing Company Inc | 10002005 | 628.85 |
| 04/12 | 04/13/2012 | 68123 | 183 | Colvin Oil Company | 10002005 | 6,571.82 |
| 04/12 | 04/13/2012 | 68124 | 1357 | Curry County Clerk | 10002005 | 46.75 |
| 04/12 | 04/13/2012 | 68125 | 4534 | Daily Journal of Commerce Inc. | 10002005 | 596.75 |
| 04/12 | 04/13/2012 | 68126 | 2840 | Dyer Partnership Inc., The | 10002005 | 29,911.78 |
| 04/12 | 04/13/2012 | 68127 | 3342 | Fastenal | 10002005 | 578.22 |
| 04/12 | 04/13/2012 | 68128 | 4848 | Frontier | 10002005 | 39.48 |
| 04/12 | 04/13/2012 | 68129 | 2153 | Gov Finance Officers Assn | 10002005 | 160.00 |
| 04/12 | 04/13/2012 | 68130 | 3915 | Harrang/Long/Gary/Rudnick PC | 10002005 | 1,659.70 |
| 04/12 | 04/13/2012 | 68131 | 4580 | KME Fire Apparatus | 10002005 | 142.87 |
| 04/12 | 04/13/2012 | 68132 | 4924 | Kyle Electric, INC | 10002005 | 1,852.50 |
| 04/12 | 04/13/2012 | 68133 | 4224 | Oce Imagistics, Inc. | 10002005 | 78.30 |
| 04/12 | 04/13/2012 | 68134 | 279 | One Call Concepts, Inc | 10002005 | 89.96 |
| 04/12 | 04/13/2012 | 68135 | 2089 | OVFA | 10002005 | 280.00 |
| 04/12 | 04/13/2012 | 68136 | 3751 | Proficient Automotive | 10002005 | 227.50 |
| 04/12 | 04/13/2012 | 68137 | 3 | Carl Sells | 10002005 | 60.00 |
| 04/12 | 04/13/2012 | 68138 | 3309 | Roberts & Associates | 10002005 | 3,500.00 |
| 04/12 | 04/13/2012 | 68139 | 4925 | State of Oregon Surplus Property | 10002005 | 25.00 |
| 04/12 | 04/13/2012 | 68140 | 4370 | Verizon Business | 10002005 | 225.88 |
| 04/12 | 04/13/2012 | 68141 | 4131 | Zumar Industries Inc | 10002005 | 382.60 |
| 04/12 | 04/18/2012 | 68142 | 882 | Advanced Security Systems | 10002005 | 70.50 |
| 04/12 | 04/18/2012 | 68143 | 4802 | ASCAP | 10002005 | 320.00 |
| 04/12 | 04/18/2012 | 68144 | 4778 | Ausland Builders, Inc | 10002005 | 100.00 |
| 04/12 | 04/18/2012 | 68145 | 3034 | BAVCO Apparatus & Valve Co | 10002005 | 37.05 |
| 04/12 | 04/18/2012 | 68146 | 335 | Branom Instrument Co | 10002005 | 238.00 |
| 04/12 | 04/18/2012 | 68147 | 715 | Budge McHugh Supply | 10002005 | 271.90 |
| 04/12 | 04/18/2012 | 68148 | 1373 | Cascade Fire Equipment | 10002005 | 3,220.00 |
| 04/12 | 04/18/2012 | 68149 | 3015 | Charter Communications | 10002005 | 84.90 |
| 04/12 | 04/18/2012 | 68150 | 1745 | Coastal Paper & Supply, Inc | 10002005 | 33.25 |
| 04/12 | 04/18/2012 | 68151 | 3844 | Donna Colby-Hanks | 10002005 | 74.75 |
| 04/12 | 04/18/2012 | 68152 | 2542 | Crystal Fresh Bottled Water | 10002005 | 320.00 |
| 04/12 | 04/18/2012 | 68153 | 4927 | Curry Transfer & Recycling | 10002005 | 3,169.31 |
| 04/12 | 04/18/2012 | 68154 | 1 | Chelsea Olson | 10002005 | 37.63 |
| 04/12 | 04/18/2012 | 68155 | 2840 | Dyer Partnership Inc., The | 10002005 | 4,110.00 |
| 04/12 | 04/18/2012 | 68156 | 281 | Engineered Control Products | 10002005 | 88.09 |
| 04/12 | 04/18/2012 | 68157 | 3342 | Fastenal | 10002005 | 17.03 |
| 04/12 | 04/18/2012 | 68158 | 289 | Grainger | 10002005 | 237.21 |
| 04/12 | 04/18/2012 | 68159 | 198 | Grants Pass Water Lab | 10002005 | 256.00 |
| 04/12 | 04/18/2012 | 68160 | 167 | Hach Company | 10002005 | 438.04 |
| 04/12 | 04/18/2012 | 68161 | 4926 | Katlyn L Voight | 10002005 | 400.00 |
| 04/12 | 04/18/2012 | 68162 | 4863 | Ken Meier Tree Service | 10002005 | 700.00 |

| GL Period | Check Issue Date | Check Number | Vendor Number | Payee | Check GL Account | Amount |
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| 04/12 | 04/19/2012 | 68163 | 1397 | L N Curtis & Sons | 10002005 | 49.76 |
| 04/12 | 04/19/2012 | 68164 | 887 | Local Gov't Personnel Inst | 10002005 | 502.00 |
| 04/12 | 04/19/2012 | 68165 | 433 | NCL of Wisconsin | 10002005 | 252.02 |
| 04/12 | 04/19/2012 | 68166 | 334 | North Coast Electric Company | 10002005 | 484.00 |
| 04/12 | 04/19/2012 | 68167 | 1573 | Northwest Business Systems | 10002005 | 403.44 |
| 04/12 | 04/19/2012 | 68168 | 580 | OFCA | 10002005 | 275.00 |
| 04/12 | 04/19/2012 | 68169 | 4815 | PLATT | 10002005 | 431.88 |
| 04/12 | 04/19/2012 | 68170 | 3751 | Proficient Automotive | 10002005 | 195.00 |
| 04/12 | 04/19/2012 | 68171 | 187 | Quality Fast Lube & Oil | 10002005 | 42.00 |
| 04/12 | 04/19/2012 | 68172 | 380 | Stadelman Electric Inc | 10002005 | 669.00 |
| 04/12 | 04/19/2012 | 68173 | 4131 | Zumar Industries Inc | 10002005 | 2,382.01 |
| 04/12 | 04/19/2012 | 68174 | 528 | Caseille, Inc | 10002005 | 5,000.00 |
| 04/12 | 04/19/2012 | 68175 | 3015 | Charter Communications | 10002005 | 980.00 |
| 04/12 | 04/19/2012 | 68176 | 1 | Michael Becker | 10002005 | 21.04 |
| 04/12 | 04/19/2012 | 68177 | 1 | Carol Puget | 10002005 | 29.24 |
| 04/12 | 04/19/2012 | 68178 | 4846 | Frontier | 10002005 | 1,025.00 |
| 04/12 | 04/19/2012 | 68179 | 3935 | Northern California Glove | 10002005 | 85.00 |
| 04/12 | 04/19/2012 | 68180 | 207 | Quill Corporation | 10002005 | 128.42 |
| 04/12 | 04/20/2012 | 68181 | 4846 | Frontier | 10002005 | 982.05 |
| 04/12 | 04/27/2012 | 68182 | 4723 | AMT&C Inc. | 10002005 | 843.00 |
| 04/12 | 04/27/2012 | 68183 | 1190 | Mike Baty | 10002005 | 268.00 |
| 04/12 | 04/27/2012 | 68184 | 3034 | BAVCO Apparatus & Valve Co | 10002005 | 339.85 |
| 04/12 | 04/27/2012 | 68185 | 4788 | BOLI | 10002005 | 500.00 |
| 04/12 | 04/27/2012 | 68186 | 1840 | Chetco Federal Credit Union | 10002005 | 13,884.57 |
| 04/12 | 04/27/2012 | 68187 | 4928 | CIS Benefits | 10002005 | 40.81 |
| 04/12 | 04/27/2012 | 68188 | 183 | Colvin Oil Company | 10002005 | 5,106.42 |
| 04/12 | 04/27/2012 | 68189 | 182 | Coos-Curry Electric | 10002005 | 24,562.88 |
| 04/12 | 04/27/2012 | 68190 | 4809 | Days Inn Portland/Gresham | 10002005 | 339.93 |
| 04/12 | 04/27/2012 | 68191 | 317 | DCBS - Fiscal Services | 10002005 | 199.89 |
| 04/12 | 04/27/2012 | 68192 | 1 | Susan J. Anderson | 10002005 | 113.84 |
| 04/12 | 04/27/2012 | 68193 | 1 | Yvette Bruce | 10002005 | 63.10 |
| 04/12 | 04/27/2012 | 68194 | 1 | Michael Fallor | 10002005 | 120.00 |
| 04/12 | 04/27/2012 | 68195 | 1 | Hanscam, Margo | 10002005 | 27.30 |
| 04/12 | 04/27/2012 | 68196 | 1 | Conrad Krockner | 10002005 | 47.53 |
| 04/12 | 04/27/2012 | 68197 | 1 | Rod Morris | 10002005 | 7.72 |
| 04/12 | 04/27/2012 | 68198 | 1 | Roschelli, Al | 10002005 | 38.24 |
| 04/12 | 04/27/2012 | 68199 | 1 | A C Sandvig | 10002005 | 45.00 |
| 04/12 | 04/27/2012 | 68200 | 1 | Larry Titus | 10002005 | 13.52 |
| 04/12 | 04/27/2012 | 68201 | 1 | Paul Wilson | 10002005 | 71.20 |
| 04/12 | 04/27/2012 | 68202 | 3881 | Grizzly Fence & Construction | 10002005 | 370.00 |
| 04/12 | 04/27/2012 | 68203 | 154 | Hagen's Dry Cleaners | 10002005 | 22.50 |
| 04/12 | 04/27/2012 | 68204 | 3233 | Hines Products | 10002005 | 182.50 |
| 04/12 | 04/27/2012 | 68205 | 4493 | Kyle Kennedy | 10002005 | 198.00 |
| 04/12 | 04/27/2012 | 68206 | 1397 | L N Curtis | 10002005 | 2,018.81 |
| 04/12 | 04/27/2012 | 68207 | 289 | Lorings Sporting Goods | 10002005 | 243.20 |
| 04/12 | 04/27/2012 | 68208 | 4269 | Gary Milliman | 10002005 | 85.00 |
| 04/12 | 04/27/2012 | 68209 | 2827 | Dianne Morris | 10002005 | 41.50 |
| 04/12 | 04/27/2012 | 68210 | 513 | OPCA | 10002005 | 50.00 |
| 04/12 | 04/27/2012 | 68211 | 426 | Oregon Apparatus Repair Inc | 10002005 | 175.64 |
| 04/12 | 04/27/2012 | 68212 | 4479 | OSCPA Professional Development Divisi | 10002005 | 870.00 |
| 04/12 | 04/27/2012 | 68213 | 187 | Quality Fast Lube & Oil | 10002005 | 40.00 |
| 04/12 | 04/27/2012 | 68214 | 3 | Michael Fallor | 10002005 | 1.45 |
| 04/12 | 04/27/2012 | 68215 | 380 | Stadelman Electric Inc | 10002005 | 240.00 |
| 04/12 | 04/27/2012 | 68216 | 4930 | Tech Mark, INC | 10002005 | 437.43 |
| 04/12 | 04/27/2012 | 68217 | 3752 | Trace Analytics Inc | 10002005 | 75.00 |
| 04/12 | 04/27/2012 | 68218 | 861 | Village Express Mail Center | 10002005 | 12.99 |

| GL Period | Check Issue Date | Check Number | Vendor Number | Payee | Check GL Account | Amount |
|---------------|---------------------|-----------------|------------------|--------------------------------|------------------|-------------------|
| 04/12 | 04/27/2012 | 68219 | 4135 | Jim Watson | 10002005 | 99.00 |
| 04/12 | 04/27/2012 | 68220 | 4831 | West Coast Monument & Sign LLC | 10002005 | 163.00 |
| 04/12 | 04/27/2012 | 68221 | 817 | Wm. H. Reilly & Co | 10002005 | 149.62 |
| Grand Totals: | | | | | | <u>211,317.60</u> |

Dated: _____

Mayor: _____

City Council: _____

City Recorder: _____

Report Criteria:

Report type: Summary

For the month of: April 2012

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[illegible]