

MEMORANDUM

TO: Claire Powell, City Manager

FROM: Stacie Anaya, Director of Parks and Recreation

DATE: May 19, 2025

SUBJECT: **Ratification of Concession Agreement Between CF Lake Park Arcis LLC and the City of Lewisville.**

BACKGROUND

In November 2024, the United States Army Corps of Engineers (USACE) executed Lease No. DACW63-1-24-0613 for Park and Recreational Areas on Lewisville Lake with the City of Lewisville to replace Lease No. DACW63-1-00-0820 upon expiration on April 14, 2025. CF Lake Park Arcis (Arcis) operated the Lake Park Golf Course via a concession agreement under the former Lease. Arcis Golf has successfully managed the golf course since being assigned the concession agreement from CLP Lake Park Golf in 2014. During that time, Arcis Golf has shown itself to be a good partner by improving the course and enhancing food, beverage, retail and driving range offerings. The rent payments from Arcis have increased from \$167,450 in FY2020 to \$329,949 in FY2024 due to their success.

ANALYSIS

The proposed concession agreement provides for the Arcis' continued operation of the golf course under the new Lease that includes an initial term of 25 years with an option for two additional ten year terms, and one additional five year term. The agreement is similar to the previous concession agreement with a few modifications including:

- Commitment of an initial capital investment of \$3,000,000 in the first ten years of the agreement for improvements in accordance with the Lake Park Master Plan.
- Rent payments to the City are changing from 6% to 5% of gross revenues so a capital improvement fund can be created (see next bullet).
- Arcis will deposit a sum of 2% of gross revenues into a capital improvement fund for mutually agreed upon improvements beyond the initial capital investment to address significant maintenance issues.
- Integration of Lake District Branding into signage and retail sales.
- There will be a nominal increase in green fees though rates will remain lower than other comparable course. Beginning in January 2026, the non-resident schedule will be updated annually according to the Consumer Price Index but shall not be more than other municipal courses within 30 miles. Resident rates will increase according to the same guidelines beginning in January 2027. Increases beyond these guardrails will require City Council approval.

- An annual meeting prior to delivery of the annual report to discuss and confirm annual plan of operations and maintenance, fee changes, and capital improvements.

City Council previously directed staff to continue the partnership with Arcis Golf to ensure quality golf experiences while maintaining relative affordability for residents. Staff has been negotiating terms with Arcis and in effort to maintain a continuity of operations at Lake Park Golf Course under the new USACE lease, the City Manager executed the agreement in May. Once the City Council has ratified the agreement, it will be forwarded to the USACE for final approval per the master lease. The Parks and Recreation Department will be responsible for managing the agreement.

CITY STAFF'S RECOMMENDATION

That the City Council ratify the agreement as set forth in the caption above.