

217 East Center Street  
Moab, Utah 84532-2534  
Main Number (435) 259-5121  
Fax Number (435) 259-4135



Mayor: Emily S. Niehaus  
Council : Tawny Knuteson-Boyd  
Rani Derasary  
Mike Duncan  
Karen Guzman-Newton  
Kalen Jones

## Memorandum


**To:** Councilmembers and Media  
**From:** Mayor Emily S. Niehaus  
**Date:** 5/6/2020  
**Re:** Special City Council Meeting

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The City of Moab will hold a Special Moab City Council Meeting on Friday, May 8, 2020 at 9:00 a.m. The purpose of this meeting will be:

1. Proposed Resolution 29-2020: A Resolution Continuing the Declaration of Local Emergency Due to COVID-19 Novel Coronavirus  
**Briefing and possible action**
2. Proposed Resolution 28-2020: A Resolution Approving the Golf Course Lease Agreement  
**Briefing and possible action**
3. Budget Update

Per Executive Order 2020-5 issued by Governor Gary R. Herbert on March 18, 2020, this meeting will be conducted electronically and may be viewed on the City's YouTube channel: <https://www.youtube.com/channel/UClooz0Zgdmz4y1FoIol7CJA>. An anchor location will not be provided.

DocuSigned by:  
  
548F84724FC84DD  
\_\_\_\_\_  
Mayor Emily S. Niehaus

In compliance with the Americans with Disabilities Act, individuals needing special accommodations during this meeting should notify the Recorder's Office at 217 East Center Street, Moab, Utah 84532; or phone (435) 259-5121 at least three (3) working days prior to the meeting.

**CITY OF MOAB RESOLUTION NO. 29-2020**  
**A RESOLUTION CONTINUING THE DECLARATION OF LOCAL EMERGENCY DUE TO**  
**COVID-19 NOVEL CORONAVIRUS**

**WHEREAS**, Coronavirus disease 2019 (COVID-19) is a respiratory illness that can spread from person to person. The virus that causes COVID-19 is a novel coronavirus that was first identified during an investigation into an outbreak in Wuhan, China;

**WHEREAS**, the World Health Organization has officially designated the COVID-19 outbreak as a global pandemic;

**WHEREAS**, U.S. Health and Human Services Secretary Alex M. Azar II declared a public health emergency (PHE) for the United States to aid the nation's health care community in responding to COVID-19;

**WHEREAS**, the U. S. Centers for Disease Control and Prevention (CDC) states that more cases of COVID-19 are likely to be identified in the United States in the coming days, including more instances of community spread and that it is likely that at some point, widespread transmission of COVID-19 in the United States will occur. Widespread transmission of COVID-19 would translate into large numbers of people needing medical care at the same time;

**WHEREAS**, Gov. Gary R. Herbert issued an executive order, which remains in effect, declaring a state of emergency in Utah in response to the evolving outbreak of COVID-19;

**WHEREAS**, the Utah Department of Health has activated its incident command structure in response to the evolving global outbreak of COVID-19 and is working with local health departments, healthcare providers, and other public health partners throughout the state to monitor illness associated with this new coronavirus and to prevent further spread;

**WHEREAS**, the State of Utah has implemented the Utah COVID-19 Community Task Force to coordinate the response to the incident throughout the entire state and among all levels of government. The Utah Coronavirus Task Force is actively monitoring the spread of COVID-19 on a state, national, and global level;

**WHEREAS**, the Utah Department of Public Safety, Division of Emergency Management, State Emergency Operations Center, is coordinating resources across state government to support the Utah Department of Health and local officials in alleviating the impacts to people, property, and infrastructure, and is assessing the magnitude and long-term effects of the incident with the Utah Department of Health;

**WHEREAS**, the City of Moab has been working with, meeting with and coordinating with state, county and local governmental entities, emergency and first responders, health providers, business owners, the school district and many others to prepare for and manage the COVID-19 pandemic;

**WHEREAS**, the circumstances of this outbreak may exceed the capacity of the services, personnel, equipment, supplies and facilities of the City of Moab and require the combined forces of a mutual aid region or regions to combat;

**WHEREAS**, Utah Code Annotated (UCA), Section 53-2a-208, Emergency Management Act, Local emergency – Declarations provides that:

(1)(a) A local emergency may be declared by proclamation of the chief executive officer of a municipality or county. . . .;

(2) A declaration of a local emergency: (a) constitutes an official recognition that a disaster situation exists within the affected municipality or county; (b) provides a legal basis for requesting and obtaining mutual aid or disaster assistance from other political subdivisions or from the state or federal government; (c) activates the response and recovery aspects of any and all applicable local disaster emergency plans; and (d) authorizes the furnishing of aid and assistance in relation to the proclamation;

**WHEREAS**, “State of emergency” means a condition in any part of this state that requires state government emergency assistance to supplement the local efforts of the affected political subdivision to save lives and to protect property, public health, welfare, or safety in the event of a disaster, or to avoid or reduce the threat of a disaster;

**WHEREAS**, the circumstances described in this proclamation do create a local emergency as provided in UCA Section 53-2a-208, Emergency Management Act;

**WHEREAS**, On March 12, 2020, pursuant to UCA Section 53-2a-208, Emergency Management Act, City Manager Joel Linares declared a local state of emergency for the City of Moab;

**WHEREAS**, On April 10, 2020, the City of Moab City Council passed Resolution 21-2020 extending the March 12, 2020 declaration of local state of emergency;

**WHEREAS**, Utah Code Annotated 53-2a-208(1)(b) “Local emergency – Declarations” states as follows: “A local emergency shall not be continued or renewed for a period in excess of 30 days except by or with the consent of the governing body of the municipality or county.”

**NOW, THEREFORE**, the City of Moab City Council hereby extends the April 10, 2020 declaration of local emergency in the City of Moab due to the above circumstances and to ensure that, among other things, the City of Moab has access to any available resources to mitigate, manage, and respond to COVID-19 under the state Emergency Management Act or any other available law, statute, regulation or resource. This Resolution continuing the local state of emergency will remain in effect for 30 days unless otherwise ordered or resolved and may be continued pursuant to Utah Code Annotated 53-2a-208(1)(b) by majority vote of the City Council.

**PASSED AND APPROVED** by a majority of the City of Moab City Council. This Resolution shall take effect immediately upon passage.

SIGNED:

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Emily S. Niehaus, Mayor

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Date

ATTEST:

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Sommar Johnson, Recorder

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**WHEREAS**, the City of Moab has been working with, meeting with and coordinating with state, county and local governmental entities, emergency and first responders, health providers, business owners, the school district and many others to prepare for and manage the COVID-19 pandemic;

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**WHEREAS**, “State of emergency” means a condition in any part of this state that requires state government emergency assistance to supplement the local efforts of the affected political subdivision to save lives and to protect property, public health, welfare, or safety in the event of a disaster, or to avoid or reduce the threat of a disaster;

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[WHEREAS, On April 10, 2020, the City of Moab City Council passed Resolution 21-2020 extending the March 12, 2020 declaration of local state of emergency;](#)

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**PASSED AND APPROVED** by a majority of the City of Moab City Council. This Resolution shall take effect immediately upon passage.

SIGNED:

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Emily S. Niehaus, Mayor

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Date

ATTEST:

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Sommar Johnson, Recorder

**CITY OF MOAB RESOLUTION NO. 26-2020**

**A RESOLUTION APPROVING THE GOLF COURSE LEASE AGREEMENT**

**WHEREAS**, the Moab Country Club was established through its documents of incorporation in 1958; and

**WHEREAS**, the City of Moab and the Moab Country Club entered into an agreement on the 5<sup>th</sup> day of May 1959 which allowed for the express purpose of operating and maintaining a golf course. The Moab Country Club was also authorized to have the right, in the connection with the operation of a golf course, to maintain club house facilities, swimming pools, tennis courts and related activities customarily enjoyed by a nonprofit corporation for the entertainment and general welfare of its members and guests; and

**WHEREAS**, since that time the City and the Country Club have entered into many new agreements renewing the lease agreement essentially under the original terms of the agreement from 1959; and

**WHEREAS**, the City and the Country Club last entered into an agreement on the 12<sup>th</sup> day of April 2005; and

**WHEREAS**, the City and the Country Club agreed to amend that agreement on the 14<sup>th</sup> day of December 2005 which removed paragraphs 10 and 11 of the lease agreement; and

**WHEREAS**, that lease agreement was for a term of ten years and expired on the 12<sup>th</sup> day of April 2015. Since that time, the Country Club has been operating on City property without an agreement; and

**WHEREAS**, the City of Moab desires to enter into a lease agreement with the Moab Country Club for the purpose of operating and maintaining a golf course. The proposed lease agreement is identical to that have been used in the past with the inclusion off the amendment of the 20<sup>th</sup> day of December 2005; and

**WHEREAS**, the lease agreement is attached to this Resolution has been presented to this meeting of the Moab City Council; and

**THEREFORE**, be it resolved that the City of Moab City Council hereby adopts this Resolution and approves this lease agreement as presented herein and shall be executed by the appropriate officials.

This Resolution shall take effect on May 8, 2020.

Passed and adopted by action of the Governing Body of the City of Moab in open session on this 8<sup>th</sup> day of May 2020.

SIGNED:

ATTEST:

\_\_\_\_\_  
Emily S. Niehaus, Mayor

\_\_\_\_\_  
City Recorder



**Golf Course Lease – Proposed Resolution 26-2020  
Summary of Modifications to Lease Agreement**

**Modifications requested by Councilmembers at the City Council meeting on April 28, 2020:**

1. Paragraph 1: Legal description formatting corrected and description corrected with legal description mapped and included as an attachment (Exhibit A);
2. Paragraph 5: Added provision for Lessee to submit to Lessor by no later than January 31 of each year proposed greens fees for that year for Council review;
3. Paragraph 9: Added 30-day notice provision for termination of lease for City's use of watershed;
4. Paragraphs 10 and 11: Reinserted paragraphs ten and eleven from prior 2005 lease with the clarification that it is 1.5% of any profits by Lessee;
5. Paragraph 12: Clarified the requirement that no later than January 31 of each year, Lessee shall provide to Lessor copies of its regular financial statements for the prior year;
6. Paragraph 13: Clarified the requirement that no later than January 31 of each year, Lessee shall provide to Lessor and independent financial review;
7. Paragraph 14: Included requirement that Lessee provide the Annual Operations Report no later than January 31 of each and that it include a list of chemicals used by Lessee on the leased property;
8. Paragraph 17: Added clarification that any water provided by Lessor to Lessee will be at the prevailing commercial rate;
9. Paragraph 22: Added a termination clause which specifies that either party may terminate the lease, with or without cause (for reasons other than relating to the watershed), with 365 days written notice.

10. Comparison of lease to draft sustainability plan (as of most recent revision date) to ensure no conflicts. No apparent conflicts found.

### **Other Changes for Clarity**

1. Effective date changed to the current date in the introduction and conclusion;
2. Added “the” before “City of Moab” and also before “Moab Country Club” in the introduction;
3. Nature of legal entity for the City changed from “principal” corporation to “municipal” corporation in the introduction to reflect the current legal status under the Moab Municipal Code;
4. Parenthetical corrected from “{” to “(” in paragraph 1(a);
5. Changed “Moab City” to “the City of Moab” in Paragraph 9 to be consistent with the Moab Municipal Code;
6. Reporting dates consolidated into one date which is now prior to January 31 of each year;
7. Changed references throughout from “the Lessee” and “the Lessor” to “Lessee” and “Lessor” for consistency;
8. Changed extension date to May 8, 2030 for consistency.

**LEASE AGREEMENT**

THIS LEASE AGREEMENT, made and entered into this 8th day of May, 2020, by and between the CITY OF MOAB, Utah, a municipal Corporation, herein referred to as LESSOR, and the MOAB COUNTRY CLUB, a non-profit Utah Corporation, herein referred to as LESSEE.

**WITNESSETH:**

1. That Lessor, for and in consideration of the covenants and agreements hereinafter contained, leases and lets unto Lessee the premises situated in Grand County, State of Utah, to-wit:
  - a. Parcel No. 1: The Southwest Quarter of the Southeast Quarter (SW1/4 SE1/4), Section 15, Township 26 South, Range 22 East, SLB&M.
  - b. Parcel No. 2: The Northwest Quarter of the Northeast Quarter (NW1/4 NE1/4), Section 22, Township 26 South, Range 22 East, SLB&M.
  - c. Parcel No. 3: The West One-half of the Northeast Quarter of the Northeast Quarter (W1/2 NE1/4 NE1/4), Section 22, Township 26 South, Range 22 East, SLB&M.
  - d. Parcel No. 4: SE 1/4 of SE 1/4, Section 15, T26S, R22E, SLB & M.,
  - e. Parcel No. 5: SW 1/4 SW 1/4 Section 14, T26S, R22E, SLB & M.,
  - f. Parcel No. 6: NW 1/4 NW 1/4 Section 23, T26S, R22E, SLB & M.,
  - g. Parcel No. 7: The East 1/2 of the NE 1/4 NE 1/4 Section 22, T26S, R22E, SLB & M.,
  - h. Parcel No. 8: The N 1/2 N1/2 SW 1/4 NW1/4 Section 23, T26S, R22E, SLB & M.

LESS: The following described real property, to-wit: S1/2 of N1/2 of SW1/4 of NW1/4 of NE1/4, and the S1/2 of SW1/4 of NW1/4 of NE1/4, Section 22, T26S, R22E, SLB&M.

(See Exhibit A which is incorporated by reference into this Lease.)

2. This Lease shall be for a term of ten (10) years from the date of this Agreement.
3. It is understood and agreed that this Lease is granted for the express purpose of operating and maintaining a golf course; however, it is understood and agreed that Lessee shall have the right, in connection with the operation of a golf course, to maintain club house facilities, swimming pools, tennis courts and related activities customarily enjoyed by a non-profit corporation for the entertainment and general welfare of its members and guests, including the sale of alcoholic beverages as provided by the laws of the State of Utah.
4. It is expressly understood and agreed that members of the general public, whether members of the non-profit corporation or not, shall be permitted to play on said golf course

under the same conditions and restrictions as if they are dues paying members; however, Lessee shall have the right to regulate play on said golf course for the purpose of preserving the greens and grounds and for maintaining orderly and proper use thereof.

5. Lessee shall have the right to assess its users whatever green fees it shall deem appropriate; however, no later than January 31 of each year, Lessee shall present to Lessor, through the City Manager and Finance Director, for City Council review the fees proposed to be charged for that year and Lessor may reduce or increase the said fees in accordance with good public policy.
6. It is understood and agreed that Lessee is a non-profit corporation and Lessor shall not, at any time, have the right or option to interfere with the internal affairs of the said corporation.
7. Lessee agrees to maintain the property in good and attractive condition.
8. Lessee may, at Lessee's sole cost and expense, make such changes, alterations or improvements as may be necessary to fit said premises and all buildings, fixtures and improvements of every kind and nature, whenever installed by Lessee, shall, upon termination, remain the property of Lessor. Lessee may purchase such personal property as it shall see fit, and upon termination of this Lease, may remove the same.
9. It is understood and agreed that the above-described premises are situated within the area of the City of Moab watershed and that it may become necessary in the future for the City to make use of said area for the purpose of developing water or for protecting the area from contamination. In such event and upon 30-days notice from Lessor to Lessee that such use is necessary, Lessor shall have the right and option to terminate the Lease or any part that may be affected thereby, without compensation to Lessee.
10. Lessee shall pay to Lessor a sum equal to 1.5 percent of Lessee's annual profits from all annual operating revenue. Said sum shall be paid by Lessee by June 1 of each year, for the previous one-year period ending January 31. The first payment under this Agreement shall be made by June 1, 2020.
11. The phrase "annual profits from all annual operating revenue" shall be defined as profits from all green fees, equipment rental, equipment storage, gross sales from the pro shop and from the gross sales of any future operations that may be conducted by Lessee under the provisions of Paragraph 3 above in any given calendar year.
12. No later than January 31 of each year, Lessee shall provide to Lessor, through the City Manager and Finance Director, copies of Lessee's regular financial statements for the prior year.
13. Lessee shall provide an independent financial review of the Moab Country Club, performed by a certified public accountant, to Lessor, each year on or before January 31.
14. Lessee shall present an Annual Operations Report to Lessor on or before January 31 of each year. Said report shall detail all operations activity of Lessee for the previous calendar year and shall include a list of chemicals used by Lessee on the leased property.

15. It is understood and agreed that Lessor may, at its expense, make such improvements as it shall deem necessary to repair, preserve, or enlarge said property leased herein, or to make any other improvements deemed necessary by Lessor. Such repair or improvements so made shall be at such time and in such manner so as to cause Lessee the least amount of disruption to its operation of said golf course.

16. It is understood and agreed that Lessor owns and has responsibility for the maintenance of all water pumps and meters installed and used on the premises as outlined in Paragraph 1.

17. Lessee shall pay Lessor for Lessee's usage of any City water at the prevailing commercial rate charged by the City at the time the water is used by Lessee.

18. Lessee hereby agrees to provide a summer youth golf program at its sole expense.

19. Lessee shall assume all risks incidental to or in connection with the business to be conducted hereunder and shall be solely responsible for all accidents or injuries of any nature to persons or property caused by its operation at these premises. Lessee agrees to indemnify, defend and hold harmless Lessor, its authorized agents and representatives, from any and all claims or liability for damage resulting in the death of any person, or loss or damaged property occasioned by or in connection with the use of the premises hereby leased. Lessee hereby assumes full responsibility for the character, acts and conduct of all persons admitted to said premises, or to any portion of the premises. Lessor assumes no liability or responsibility whatsoever for any property placed in said premises and Lessor is hereby expressly released and discharged from any and all liability for any loss, injury or damage to persons or property that may be sustained by reason of Lessee's occupancy under this Lease.

20. Lessee shall carry, at its own expense, property damage insurance in the amount of \$1,000,000 and public liability insurance in an amount of \$1,000,000 for any one person and \$1,000,000 for any one accident. Lessor is to be made a co-insured with Lessee on this insurance and said insurance policy is to contain a rider requiring that Lessor be notified thirty (30) days in advance of any change or termination of said insurance policies.

21. The parties hereto shall have the option to extend this lease for one additional ten (10) year period under the same terms and conditions. This option may be exercised by written consent of both parties hereto, prior to May 8, 2030.

22. Either party may terminate this Lease for reasons other than those specified in Paragraph 9 above, with or without cause, by giving the other party 365 days written notice. Written notice to Lessor shall be provided to the City through the City Manager and Finance Director at 217 E. Center Street, Moab, UT 84532. Written notice to Lessee shall be provided to Lessee's registered agent.

IN WITNESS WHEREOF, the Parties hereto have set their hands and seals on this 8<sup>th</sup> day of May, 2020.

**LESSOR:**  
**ATTEST:**

**CITY OF MOAB, UTAH**

\_\_\_\_\_  
Sommar Johnson, City Recorder

By: \_\_\_\_\_  
Emily Niehaus, Mayor

**LESSOR:**

**MOAB COUNTRY CLUB**

By: \_\_\_\_\_  
Club President

State of Utah            )  
                                  §  
County of Grand        )

On the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, personally appeared before me  
\_\_\_\_\_, who duly acknowledged to me that they executed the same.

My Commission Expires:

\_\_\_\_\_  
Notary Public  
Residing in Grand County, Utah



# City Golf Course Area Parcels & Golf Course Lease

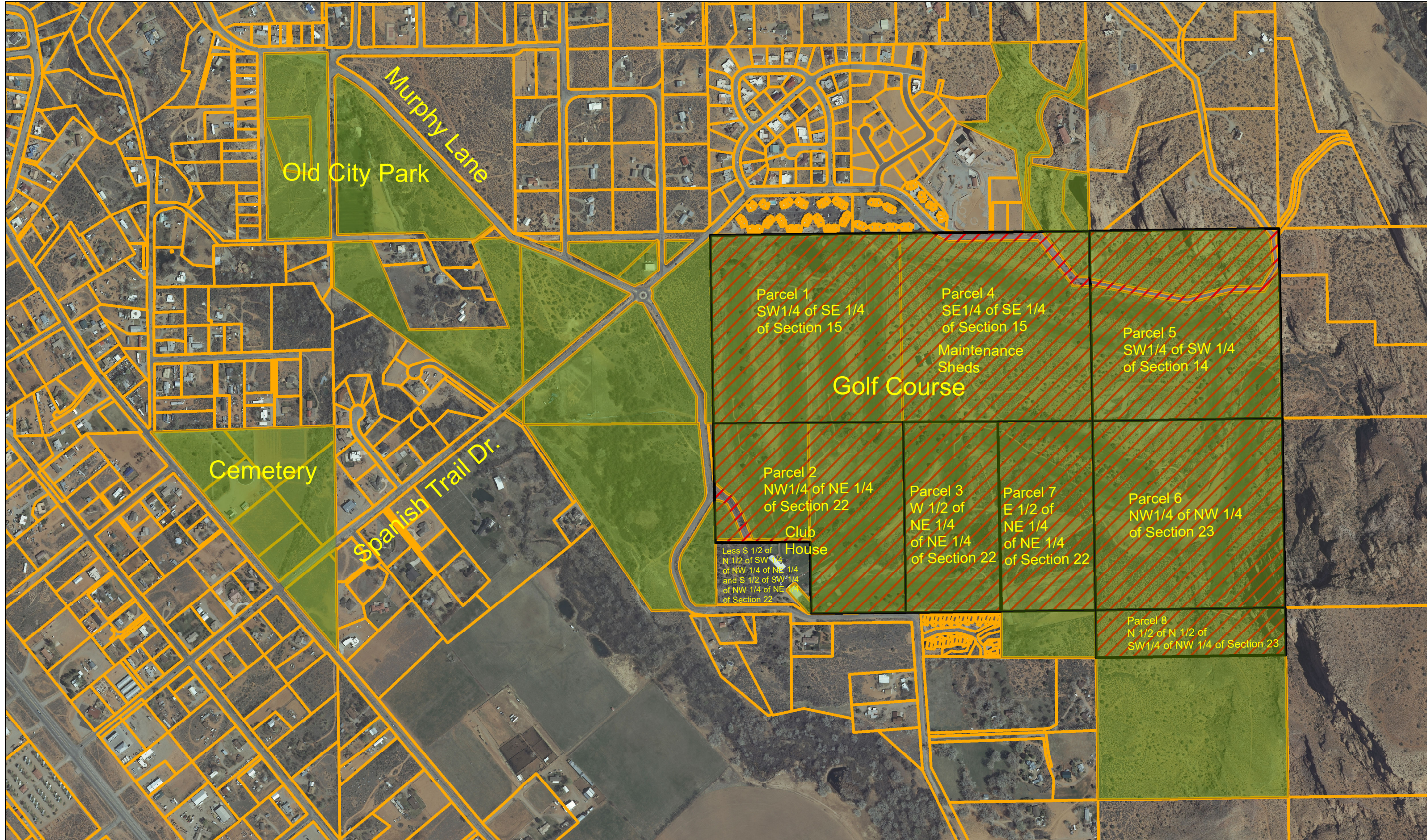


0 300 600 1,200 Feet  
1 inch = 600 feet

## Legend

 City Properties

 2005-2015 Golf Course Lease





## LEASE AGREEMENT

THIS LEASE AGREEMENT, made and entered into this ~~28th~~ day of ~~April~~ May, 2020, by and between the CITY OF MOAB, Utah, a ~~principal-municipal~~ Corporation, herein referred to as LESSOR, and the MOAB COUNTRY CLUB, a non-profit Utah Corporation, herein referred to as LESSEE.

### WITNESSETH:

1. That Lessor, for and in consideration of the covenants and agreements hereinafter contained, leases and lets unto Lessee the premises situated in Grand County, State of Utah, to-wit:
    - a. Parcel No. 1: The Southwest Quarter of the Southeast Quarter ~~f~~(SW1/4 SE1/4), Section 15, Township 26 South, Range 22 East, SLB&M.
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    - c. Parcel No. 3: The West One-half of the Northeast Quarter of the Northeast Quarter (W1/2 NE1/4 NE1/4), Section 22, Township 26 South, Range 22 East, SLB&M.
    - d. Parcel No. 4: SE 1/4 of SE 1/4, Section 15, T26S, R22E, SLB & M.,
    - e. Parcel No. 5: SW 1/4 SW 1/4 Section 14, T26S, R22E, SLB & M.,
    - f. Parcel No. 6: NW 1/4 NW 1/4 Section 23, T26S, R22E, SLB & M.,
    - g. Parcel No. 7: The East 1/2 of the NE 1/4 NE 1/4 Section 22, T26S, R22E, SLB & M.,
    - h. Parcel No. 8: The N 1/2 N1/2 SW 1/4 NW1/4 Section 23, T26S, R22E, SLB & M.  
~~SE 1/4, Section 15, T26S, R22E, SLB & M.,~~  
~~SW 1/4 SW 1/4 Section 14, T26S, R22E, SLB & M.,~~  
~~NW 1/4 NW 1/4 Section 23, T26S, R22E, SLB & M.,~~  
~~The North 500 feet of the E 1/2 NE 1/4 NE 1/4 Section 22, T26S, R22E, SLB & M., and the N 1/2 N1/2 SW 1/4 NW1/4 Section 23, T26S, R22E, SLB & M. Containing 137.6 acres, more or less.~~
- LESS: The following described real property, to-wit: S1/2 of N1/2 of SW1/4 of NW1/4 of NE1/4, and the S1/2 of SW1/4 of NW1/4 of NE1/4, Section 22, T26S, R22E, SLB&M.
- (See Exhibit A which is incorporated by reference into this Lease.)



2. This Lease shall be for a term of ten (10) years from the date of this Agreement.
3. It is understood and agreed that this Lease is granted for the express purpose of operating and maintaining a golf course; however, it is understood and agreed that Lessee shall have the right, in connection with the operation of a golf course, to maintain club house facilities, swimming pools, tennis courts and related activities customarily enjoyed by a non-profit corporation for the entertainment and general welfare of its members and guests, including the sale of alcoholic beverages as provided by the laws of the State of Utah.
4. It is expressly understood and agreed that members of the general public, whether members of the non-profit corporation or not, shall be permitted to play on said golf course under the same conditions and restrictions as if they are dues paying members; however, Lessee shall have the right to regulate play on said golf course for the purpose of preserving the greens and grounds and for maintaining orderly and proper use thereof.
5. Lessee shall have the right to assess its users whatever green fees it shall deem appropriate; however, no later than January 31 of each year, Lessee shall present to Lessor, through the City Manager and Finance Director, shall have the right offor City Council review of the fees proposed to be charged for that year charged and Lessor may reduce or increase the said fees in accordance with good public policy.
6. It is understood and agreed that Lessee is a non-profit corporation and Lessor shall not, at any time, have the right or option to interfere with the internal affairs of the said corporation.
7. Lessee agrees to maintain the property in good and attractive condition.
8. Lessee may, at Lessee's sole cost and expense, make such changes, alterations or improvements as may be necessary to fit said premises and all buildings, fixtures and improvements of every kind and nature, whenever installed by Lessee, shall, upon termination, remain the property of Lessor. Lessee may purchase such personal property as it shall see fit, and upon termination of this Lease, may remove the same.
9. It is understood and agreed that the above-described premises are situated within the area of the ~~Moab~~-City of Moab watershed and that it may become necessary in the future for the City to make use of said area for the purpose of developing water or for protecting the area from contamination. In such event and upon 30-days notice from Lessor to Lessee that such use is necessary, ~~the~~-Lessor shall have the right and option to terminate the Lease or any part that may be affected thereby, without compensation to Lessee.
10. Lessee shall pay to Lessor a sum equal to 1.5 percent of Lessee's annual profits from all annual operating revenue. Said sum shall be paid by Lessee by June 1 of each year, for the previous one-year period ending January 31. The first payment under this Agreement shall be made by June 1, 2020.
11. The phrase "annual profits from all annual operating revenue" shall be defined as profits from all green fees, equipment rental, equipment storage, gross sales from the pro shop and from

the gross sales of any future operations that may be conducted by Lessee under the provisions of Paragraph 3 above in any given calendar year.

12. No later than January 31 of each year, The Lessee shall ~~make available~~ provide to ~~the~~ Lessor, through the City Manager and Finance Director, copies of ~~the~~ Lessee's regular financial statements for the prior year.

134. Lessee shall provide An-an independent financial review of the Golf Moab Country Club, performed by a certified public accountant, ~~shall be submitted annually by the Lessee to the~~ Lessor, each year on or before ~~June 4~~ January 31.

142. Lessee shall present an Annual Operations Report to ~~the~~ Lessor on or before January 31~~0~~ of each year. Said report shall detail all operations activity of Lessee for the previous calendar year and shall include a list of chemicals used by Lessee on the leased property.

153. It is understood and agreed that ~~the~~ Lessor may, at its expense, make such improvements as it shall deem necessary to repair, preserve, or enlarge said property leased herein, or to make any other improvements deemed necessary by Lessor. Such repair or improvements so made shall be at such time and in such manner so as to cause ~~the~~ Lessee the least amount of disruption to its operation of said golf course.

164. It is understood and agreed that Lessor owns and has responsibility for the maintenance of all water pumps and meters installed and used on the premises as outlined in Paragraph 1.

175. ~~The~~ Lessee shall pay ~~to~~ Lessor for Lessee's water usage of any City water at ~~a the~~ prevailing commercial rate ~~mutually agreed upon by the two parties~~ charged by the City at the time the water is used by Lessee.

186. Lessee hereby agrees to provide a summer youth golf program at its sole expense.

197. ~~The~~ Lessee shall assume all risks incidental to or in connection with the business to be conducted hereunder and shall be solely responsible for all accidents or injuries of any nature to persons or property caused by its operation at these premises. Lessee agrees to indemnify, defend and hold harmless ~~the~~ Lessor, its authorized agents and representatives, from any and all claims or liability for damage resulting in the death of any person, or loss or damaged property occasioned by or in connection with the use of the premises hereby leased. ~~The~~ Lessee hereby assumes full responsibility for the character, acts and conduct of all persons admitted to said premises, or to any portion of the premises. Lessor assumes no liability or responsibility whatsoever for any property placed in said premises and Lessor is hereby expressly released and discharged from any and all liability for any loss, injury or damage to persons or property that may be sustained by reason of Lessee's occupancy under this Lease.

~~2018.~~ Lessee shall carry, at its own expense, property damage insurance in the amount of \$1,000,000 and public liability insurance in an amount of \$1,000,000 for any one person and \$1,000,000 for any one accident.

~~The~~ Lessor is to be made a co-insured with ~~the~~ Lessee on this insurance and said insurance policy is to contain a rider requiring that ~~the~~ Lessor be notified thirty (30) days in advance of any change or termination of said insurance policies.

~~21~~19. The parties hereto shall have the option to extend this lease for one additional ten (10) year period under the same terms and conditions. This option may be exercised by written consent of both parties hereto, prior to ~~April~~ May 28, 2030.

22. Either party may terminate this Lease for reasons other than those specified in Paragraph 9 above, with or without cause, by giving the other party 365 days written notice. Written notice to Lessor shall be provided to the City through the City Manager and Finance Director at 217 E. Center Street, Moab, UT 84532. Written notice to Lessee shall be provided to Lessee's registered agent.

IN WITNESS WHEREOF, the Parties hereto have set their hands and seals on this 28<sup>th</sup> day of ~~April~~ May, 2020.

**LESSOR:**  
ATTEST:

**CITY OF MOAB, UTAH**

\_\_\_\_\_  
Sommar Johnson, City Recorder

By: \_\_\_\_\_  
Emily Niehaus, Mayor

**LESSOR:**

**MOAB COUNTRY CLUB**

State of Utah            )  
                                  §

By: \_\_\_\_\_  
Club President

County of Grand )

On the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, personally appeared before me  
\_\_\_\_\_, who duly acknowledged to me that they executed the same.

My Commission Expires:



\_\_\_\_\_  
Notary Public  
Residing in Grand County, Utah

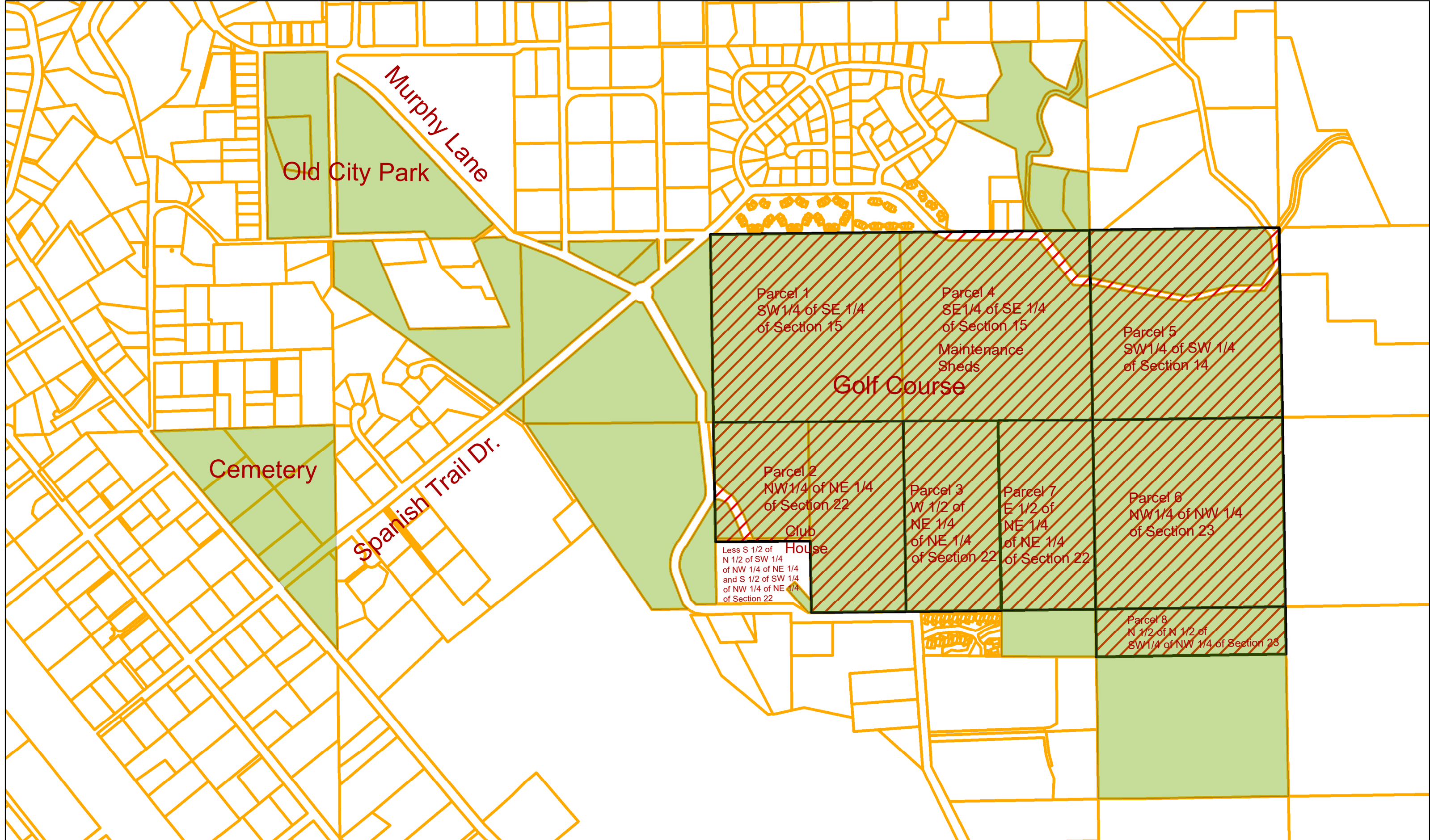
# City Golf Course Area Parcels & Golf Course Lease



0 300 600 1,200 Feet  
1 inch = 600 feet

**Legend**

-  City Properties
-  2005-2015 Golf Course Lease



## Moab Country Club Profit & Loss

January 2016 through December 2019

	Jan - Dec 16	Jan - Dec 17	Jan - Dec 18	Jan - Dec 19	TOTAL
<b>Income</b>					
Green fees	277,294.40	278,073.14	248,449.32	259,742.80	1,063,559.66
Annual green fees	60,632.32	52,527.28	59,234.14	58,101.94	230,495.68
Daily Use Fee	27,182.85	33,432.91	53,643.48	64,595.35	178,854.59
Membership dues	1,525.00	2,000.00	2,225.00	1,450.00	7,200.00
Sponsor fees	11,600.00	10,450.00	10,202.00	15,955.00	48,207.00
Trail fees	2,621.40	2,165.47	2,353.68	2,675.84	9,816.39
Food sales	63,244.33	60,652.43	61,072.60	66,945.93	251,915.29
Beer sales	44,748.87	40,689.26	41,300.80	38,971.36	165,710.29
Pro shop	217,272.41	218,872.92	215,807.72	235,123.23	887,076.28
Cart storage	17,900.00	16,500.00	18,900.00	17,155.00	70,455.00
Tournament entry fees	147,284.82	155,822.33	152,999.76	156,984.77	613,091.68
Tournament - Pro shop	-113,573.00	-122,772.17	-112,897.00	-120,606.00	-469,848.17
Cart rental	161,925.01	159,179.25	138,159.12	136,712.04	595,975.42
Other rentals	14,757.68	14,552.21	12,853.97	13,488.97	55,652.83
Other income	81.39	0.00	3,000.00	0.00	3,081.39
Grants	4,000.00	4,000.00	4,000.00	4,000.00	16,000.00
Interest income	60.54	74.41	61.59	58.37	254.91
Discounts	529.97	759.56	619.31	706.90	2,615.74
<b>Total Income</b>	<b>939,087.99</b>	<b>926,979.00</b>	<b>911,985.49</b>	<b>952,061.50</b>	<b>3,730,113.98</b>
<b>Cost of Goods Sold</b>					
Cost of sales - rental & range	0.00	0.00	0.00	24,517.19	24,517.19
Cost of sales - food	26,747.34	28,007.44	30,137.60	31,754.94	116,647.32
Cost of sales - pro shop	170,457.91	167,102.66	162,753.66	172,843.22	673,157.45
Cost of sales - beer	16,769.83	15,765.50	19,599.98	16,119.60	68,254.91
<b>Total COGS</b>	<b>213,975.08</b>	<b>210,875.60</b>	<b>212,491.24</b>	<b>245,234.95</b>	<b>882,576.87</b>
<b>Gross Profit</b>	<b>725,112.91</b>	<b>716,103.40</b>	<b>699,494.25</b>	<b>706,826.55</b>	<b>2,847,537.11</b>
<b>Expense</b>					
Advertising	18,329.88	21,253.03	17,431.67	15,494.11	72,508.69
Bank Service Charges	286.95	386.52	588.59	346.24	1,608.30
Contract Labor	462.50	0.00	0.00	0.00	462.50
Credit card discounts	28,100.44	29,936.11	22,514.23	21,795.09	102,345.87
Depreciation Expense	36,554.00	23,600.00	25,052.00	25,134.00	110,340.00
Dues-Pro & Greens Keeper	0.00	130.00	0.00	986.00	1,116.00
Dues	1,393.19	1,704.00	3,314.00	1,340.00	7,751.19
Employee benefits	13,263.70	9,344.22	10,149.04	10,174.56	42,931.52
Employee meals	2,844.50	4,632.23	4,518.36	4,019.13	16,014.22
Fertilizer & chemicals	25,056.45	7,439.83	19,752.87	12,460.40	64,709.55
Gas & oil - Carts	7,450.19	8,116.66	8,203.01	6,736.75	30,506.61
Gas & oil - Equipment	7,702.87	14,056.46	13,118.50	10,991.90	45,869.73
Insurance	14,503.75	14,643.55	16,358.19	17,728.70	63,234.19
Interest Expense	50.52	0.00	0.00	0.00	50.52
Irrigation water	16,657.36	16,657.36	16,657.36	19,014.88	68,986.96
Junior Golf	2,740.28	2,133.71	2,274.50	3,207.41	10,355.90
Lease - Carts	46,812.27	41,767.53	46,408.12	43,361.39	178,349.31
Lease - Equipment	31,833.58	51,008.10	41,372.73	44,309.34	168,523.75
Legal & accounting	8,703.00	8,810.00	8,700.00	8,950.00	35,163.00
License & permits	0.00	0.00	350.00	556.00	906.00
Office - grounds	1,716.16	293.80	0.00	48.50	2,058.46
Office - pro shop	659.99	2,231.47	3,916.93	1,717.66	8,526.05
Office supplies	1,993.77	1,833.23	1,667.20	1,098.53	6,592.73
Operating Supplies - course	9,257.08	9,564.23	9,247.17	10,202.23	38,270.71
Operating supplies - pro shop	13,685.30	11,289.19	8,415.37	6,848.20	40,238.06
<b>Payroll Expenses</b>					
Bonus	10,750.00	9,915.00	9,380.00	9,450.00	39,495.00
Food & Beverage	34,181.14	32,390.77	31,368.64	27,453.39	125,393.94
Maintenance	106,066.01	130,117.46	112,956.82	126,418.50	475,558.79
Outside Service	13,261.88	13,785.00	11,763.75	14,220.00	53,030.63
Payroll taxes	32,010.46	33,834.54	29,325.98	29,526.71	124,697.69
Pro Shop	88,429.08	87,448.23	90,639.33	91,509.08	358,025.72
Payroll Expenses - Other	0.00	0.00	0.00	0.00	0.00
<b>Total Payroll Expenses</b>	<b>284,698.57</b>	<b>307,491.00</b>	<b>285,434.52</b>	<b>298,577.68</b>	<b>1,176,201.77</b>
<b>Pumping charges</b>	<b>13,150.94</b>	<b>14,547.05</b>	<b>18,190.74</b>	<b>13,546.62</b>	<b>59,435.35</b>
<b>Repairs &amp; Maintenance</b>					
Pro Shop	9,390.02	3,128.61	5,122.89	8,266.40	25,907.92
Irrigation	12,155.77	9,396.29	8,943.09	13,407.23	43,902.38
Equipment	20,722.64	20,798.52	18,280.65	20,253.23	80,055.04
Golf Course	11,257.84	13,929.51	10,595.93	12,517.77	48,301.05
Cart paths	0.00	0.00	450.00	1,197.58	1,647.58
Carts	1,628.08	3,123.47	1,642.52	1,834.31	8,228.38
<b>Total Repairs &amp; Maintenance</b>	<b>55,154.35</b>	<b>50,376.40</b>	<b>45,035.08</b>	<b>57,476.52</b>	<b>208,042.35</b>
<b>Taxes &amp; licenses</b>	<b>550.00</b>	<b>980.00</b>	<b>176.26</b>	<b>222.64</b>	<b>1,928.90</b>
Telephone	7,303.05	8,004.45	8,272.33	8,463.65	32,043.48
Tournament-Certificates	0.00	0.00	0.00	0.00	0.00
Travel - grounds	3,012.25	2,628.00	4,020.52	3,914.25	13,575.02
Travel - pro shop	3,057.80	3,080.00	2,762.38	2,750.00	11,650.18
Utilities	19,685.71	20,062.46	21,394.67	19,135.87	80,278.71
Tournament expense	40,681.17	46,446.71	47,229.71	39,986.08	174,343.67
Workers Compensation	4,605.47	5,137.34	2,604.79	3,291.27	15,638.87

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Accrual Basis

# Moab Country Club Profit & Loss

January 2016 through December 2019

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	<u>Jan - Dec 16</u>	<u>Jan - Dec 17</u>	<u>Jan - Dec 18</u>	<u>Jan - Dec 19</u>	<u>TOTAL</u>
Over/short	6.95	25.98	10.17	11.22	54.32
Total Expense	721,963.99	739,610.62	715,141.01	713,896.82	2,890,612.44
Net Income	<u>3,148.92</u>	<u>-23,507.22</u>	<u>-15,646.76</u>	<u>-7,070.27</u>	<u>-43,075.33</u>

## **City of Moab / Moab City Council / Moab Country Club – MCC**

The Moab Country Club operates as a 501 C (6). The operation is overseen by a 7 person board of directors.

**Financials – See attached previous 4 years.**

### **Property- Overview-**

- The City of Moab owns the property that the 18 holes of golf are located on. This includes a large cart barn and two maintenance buildings.
- The MCC owns the pro shop / snack bar and the parking lot that is associated with this building that gives access to the golf course.

### **Water-**

- MCC owns 468 acre ft of Kens lake water through GVW&S. This is the primary water source to water the golf course. More than enough water.
- MCC uses on the shoulders of some years (March & November) a small amount of water from City well #7. We pay the City of Moab for the water and Rocky Mountain Power for the pumping of this water.

### **Fertilizer & Pesticides-**

- MCC has our greens superintendent and assistant superintendent that both carry a Non – Commercial pesticide applicator license issued by the Utah Department of Agriculture.
- The Moab Golf Course's greens program provides about 1.6 lbs. N/1000. On average most greens programs for our temperature region would use 1.5 lbs. N/1000 - 4 lbs. N/1000. Our program incorporates organics, bio-stimulants, and soils surfactants, that promote soil health, plant health, density, and efficient use of water.
- The tee program provides about 2.5 lbs N./1000, with a focus on high use tees to promote growth and density. On average tee programs would use 2.0 lbs. N/1000 - 5 lbs. N/1000. Our program incorporates organics to promote soil health
- The fairway program provides about 2.0 lbs. N/1000. On average fairway programs would use 2.0 lbs. N/1000 - 5 lbs. N/1000. Our program incorporates organics to promote soil health
- The rough program provides about 1.5 lbs. N/1000, and is focused from the inside out, and high traffic areas to promote plant health and density. On average rough programs would use 1.5 lbs. N/1000 - 5 lbs. N/1000. Our program incorporates organics to promote soil health

### **Equipment-**

- All of the equipment that is used to maintain the golf course belongs to the MCC.
- The carts that are provided to golfers are sourced through the MCC on a multiple year lease program.
- The Mowing equipment used to maintain the golf course is also sourced through a multiple year lease program. One of our lease programs for mowing equipment is due to expire the end of 2020 and we will need to establish a new lease. Generally our equipment leases are 4 to 5 years in length for us to afford the payments.
- The MCC will not be able to commit to any leases of carts or equipment beyond the term of our lease with the City of Moab. A large reason for a new lease to be established.

### **Sustainability-**

- In 2018 the MCC started to work on getting Audubon certification for the golf course.



- Beginning in 2016 the MCC started a program of eliminating sprinkler heads on the outside rough areas of the golf course in an effort to conserve water.
- In 2018 the MCC started to eliminate sprinkler heads and grass between some of the tee box areas. Again to further conserve water and lower our costs by growing and mowing less grass.

#### **Tournaments-**

- The MCC holds 13 tournaments per year that attracts an estimated total of 1400 golf participants. Approximately 75 % of these people come from out of the Moab area.
- It should be noted that all the people arriving from out of town spend money, not only at the golf course, but also bring revenue to hotels, B&B's, rv parks, nightly rentals, restaurants and other Moab businesses. That is estimated to be over 1,000 people that would contribute over \$500 each for their stay during these events.
- The MCC allows for 3 local charity events to host fund raising events at the Golf course. These events usually attract 75 to 100 players per event.

#### **Rates-**

- Rates are looked at each year and over the course of the last 5 to 6 years, we have been increasing rates each year to cover our costs and to provide improvements to the golf course. This is reviewed and approved by the board of directors.

#### **Junior Golf Program-**

- This program has and continues to be very successful each year. In 2019 we had around 100 kids participate in the program.
- Program charges are \$25 for one session and \$40 for all 3 summer sessions.
- These fees allow JR golfers to play for no charge the remainder of the year.

#### **High School Golf-**

- The MCC supports both the Girls and Boys high school golf programs by allowing them to practice, play rounds of golf and to host tournaments each year at no expenses to the high school. These players also play golf at no charge for the remainder of the year.

#### **High School Cross Country Team-**

- The MCC donates the golf course to the high school cross country team for practice and for team races.

#### **Sprinkler System-**

- Our current sprinkler system is over 25 years old and will need to be replaced at some point. This system had an original lifespan of about 20 years. This will need to be done through either CIB monies or possible grants or other means to source funding. A new system would also allow us to further conserve water that our current system is limited. We as the MCC do not have the means to finance a project of this size.

#### **Covid – 19 impacts-**

- Our first 2 tournaments of the year in March have already been cancelled. The next one scheduled for May 2 & 3 has been cancelled as well as the May 16 & 17. We will try to re – schedule both of these later in the year.
- Currently play is limited to locals only. Revenues are down because of this.
- Limited tee times to keep social distancing. Revenues are down here as well.
- One cart person to keep 6 ft distance. This is increasing our costs.

**Thank you. MCC board of directors.**