



## CITY OF GRAND PRAIRIE COMMUNICATION

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**MEETING DATE:** 06/18/2024

**PRESENTER:** Ray Cerda, Director of Parks Arts and Recreation

**TITLE:** Consent to sublease agreement between Lynn Creek SMI, Inc, LLC/Lynn Creek SMI Series LLC and BJG Lynn Creek LLC, Inc for construction of improvements and operation of the golf range at Lynn Creek Marina, subject to approval by the United States Army Corp of Engineers

**REVIEWING COMMITTEE:** (Reviewed by the Finance and Government Committee on 06/04/2024)

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### **PURPOSE OF REQUEST:**

Lynn Creek SMI, LLC, who are the operators of Lynn Creek Marina, has negotiated a sublease agreement with BJG Lynn Creek for improvements and operation of the existing golf range at Lynn Creek Marina.

BJG Lynn Creek will fund improvements to the existing golf range to modernize and add technology elements to the experience. It will include updating the shade structures, adding ball tracing technology, and TVs at each station with games and challenges. The City will not be responsible for funding any improvements.

The new sublease agreement will be for a term of ten years with an option to extend for an additional 10 years. BJG will pay the City 5% of monthly gross revenues. This revenue share is governed by the current terms of the City's lease with the Marina operators and is not subject to negotiations. Based on the Tenant improvements to the operations, the Marina is estimating annual revenue of \$650,000 from the golf range, and under existing operations, the revenue is at approximately \$150,000. This will potentially increase City revenue from \$7,500 in rent related to the golf operations to \$32,500 annually.

The current sublease agreement between the City and Lynn Creek SMI, LLC requires the City consent to any additional sublease of the premises. This agreement is under review by the US Army Corps of Engineers and will not be executed until both the City and the US Army Corps of Engineers approve of the agreement.