



Resolution P2025-012

Negotiate and Sign the Interim Management Agreement for
Madrona Links Golf Course

July 1, 2025

PenMet Parks recognizes the importance of the Madrona Links Golf Course to our community.

PenMet Parks will continue to maintain Madrona Links as a public 18-hole golf course.

Background/Analysis

Summary history of Madrona Links

1977	City of Tacoma enters into a 50-year lease with Tyson to develop, manage, and operate Madrona Links Golf Course. The City owns approximately 80 acres, and Tyson purchases the adjoining 14-acre parcel and develops the golf course.
1978	The golf course opens to the public.
2008	PenMet Parks purchases Madrona Links from the City of Tacoma. As part of the purchase, PenMet Parks is required to assume the Tyson operating lease.
2014	Tyson subleases the golf course operation to Stutsman Enterprise, Inc.
2023	Tyson renews sublease with Stutsman Enterprise, Inc. though 2028.
2023	PenMet Parks engages National Golf Foundation to conduct a comprehensive assessment of Madrona Links Golf Course.
2024	PenMet Parks terminates primary lease with Tyson for repeatedly failing to take action to correct identified deficiencies at Madrona Links.
2025	PenMet Parks assumes Stutsman sublease and directs Stutsman to begin promptly addressing deficiencies.
2025	Stutsman fails to address the deficiencies and PenMet Parks moves forward with selecting an interim golf course manager to replace Stutsman.

Procurement Process

Procurement process

- PenMet Parks solicited proposals for interim golf course management beginning in December 2024 from firms that provide, or have provided, golf course management and operations services to municipalities in Washington.
- The District received four written proposals.
- The District formed a selected committee that evaluated the submissions and interviewed each firm.
- The selection committee ranked the submissions and identified Troon Golf as the highest ranked firm based on price and qualifications.

Procurement process

- PenMet Parks followed the procedures in Policy P40-102: Purchasing Policy adopted on June 21, 2022. This policy was in effect until March 18, 2025, and governed this procurement item, which was initiated four months prior to the implementation of the new purchasing policy.
- Policy P40-102 provides that competitive quotes are required for purchased services using the following process:
 - **Purchases over \$50,000: Competitive Quotes Required.** Purchases over \$50,000 must be made by obtaining a minimum of three competitive quotes using a Request for Proposal. Quotes must be in writing and may be provided electronically or in person. The contract award will be based on price and qualifications.
- The new purchasing policy does not include any provisions stating it is retroactive or applies to any procurement process that commenced prior to the effective date of March 18, 2025.

Troon Golf

- Operates over 900 facilities worldwide, including hundreds of municipally-owned facilities.
- Locally, Troon manages and operates the Bellevue Golf Course, Lake Padden Golf Course, Lynwood Golf Course, Cedarcrest Golf Course, Ocean Shores Golf Course, courses for the City of Seattle and City of Everett, and several private courses in the region.
- Troon has the professional expertise and resources necessary to operate Madrona Links.
- Troon's economies of scale provide access to golf-related experts, discounted equipment, and supplies.

Scope of Services

Scope of services

- Troon will perform all work required to operate Madrona Links in a professional manner as a first-class facility including, but not limited to:
 - Creating an Annual Plan.
 - Supervising and administering all daily operations.
 - Hiring, supervising, training, and disciplining staff.
 - Establishing policies, standards, and schedules for day-to-day operations.
 - Managing the pro shop.
 - Developing quality golf programs.
 - Performing all sales and marketing.

Scope of services

- Three-year term.
- Does not include food and beverage.

Transition period

- The scope of work includes a transition period that begins when the agreement is executed until Troon has operationally replaced Stutsman Enterprise.
- PenMet Parks and Troon are committed to a smooth transition in order to maintain Madrona Links operations. Stutsman has advised PenMet Parks it will participate cooperatively to provide an orderly and businesslike transition of golf course operations.
- During the transition period, Troon will assess golf course operations, sales, marketing, technology, and agronomy and develop a transition plan. Troon intends to retain current qualified Madrona Links employees that desire to transition and become Troon associates.
- Troon will engage golf course stakeholders in transition planning and provide clear communication during the process.
- The planned transition date is on or before September 1, 2025.

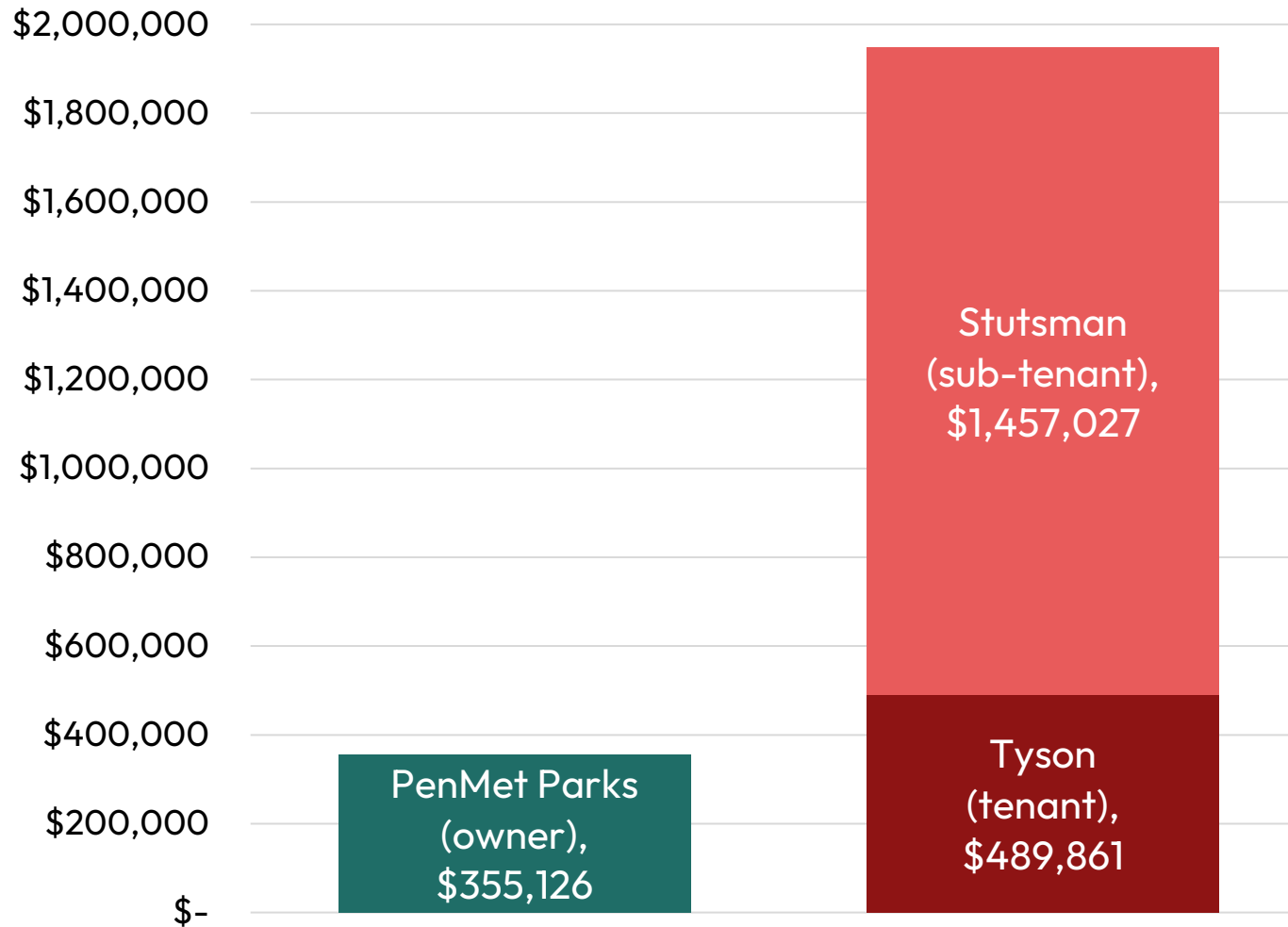
Budget Analysis

Budget analysis

- Under the current lease, PenMet Parks receives a portion of greens fees collected.
- Under the interim management agreement, PenMet Parks will receive 100% of the greens fees and be responsible for 100% of expenses.
- Based on historical Madrona Links financial performance, staff anticipate PenMet Parks will realize increased net revenue from Madrona Links, even after management fees. Additional revenue could be reinvested in Madrona Links Golf Course.

Historical net revenues

Reported Cumulative Net Revenue, 2019-2023



Notes: Figures reflect total reported net revenue. PenMet Parks revenue is audited. Tyson and Stutsman revenues are as reported by Stutsman.

Next steps

Next steps: interim period

- PenMet Parks will engage Troon and Stutsman to coordinate an orderly and businesslike transition to maintain uninterrupted services for our community.
- Troon will engage stakeholders during the transition to seek input and provide updates during and after the transition.
- Over time, golfers can expect to see improved course conditions, and enhanced service levels at Madrona Links, increased financial transparency, and enhanced community programming and engagement opportunities for golfers and non-golfers alike.
- PenMet Parks does not anticipate any changes to the golf course days or hours of operation, or any increases to greens fees in 2025. Scheduled events and tournaments will continue as planned.

Next steps: long-term planning

- PenMet Parks is taking steps to plan for the future of Madrona Links Golf Course after the interim management period concludes in 2028.
- PenMet Parks will continue to use the National Golf Foundation comprehensive Madrona Links Golf Course assessment, community and stakeholder input, and baseline data generated during the interim period to determine the long-term operating model and prepare a scope of work for golf course management and operations that reflects our community's priorities.
- The long-term operator will be selected using a competitive Request for Proposal (RFP) process.

Recommendation

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Staff recommends the Board pass Resolution P2025-012 authorizing the Executive Director to negotiate any remaining terms and sign the agreement for interim golf facility management with Troon WA Leasing ML, LLC.

Q&A

