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LATE MATERIAL

MEETING DATE 5-16-13
ITEM # 14A.

RECEIVED

May 15, 2013

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**CARSON CITY
EXECUTIVE OFFICES**

Carson City Board of Supervisors
City Hall
201 North Carson Street, Suite 2
Carson City, NV 89701

Via Hand-Delivery

**Re: Agenda Item 14 - May 16, 2013
Silver Oak Development, LP**

Dear Mr. Mayor and Carson City Board of Supervisors:

As a follow-up to the verbal offer that was made by Silver Oak Development, LP, ("Silver Oak") at the meeting of the Carson City Board of Supervisors on May 2, 2013, for the contract to manage the Eagle Valley East and West golf courses, Silver Oak, hereby present a written summary of this offer so that it can be added to the written record of the May 16, 2013 meeting, as it pertains to Agenda Item 14.

Silver Oak is a Carson City land developer and golf course operator with the knowledge, staff, and experience necessary to successfully operate both Eagle Valley properties. Silver Oak currently owns and operates the Silver Oak Golf Course in Carson City, and is current on all of its financial obligations, including its property taxes to Carson City. It is without question that Silver Oak possesses the ability and the resources to successfully operate the Eagle Valley courses on behalf of Carson City.

Silver Oak has concerns that the contract to manage the Eagle Valley properties has not been subject to a competitive bid process, especially considering the past track record of the current management entity. Silver Oak believes that such a bidding process is an important part of open and transparent government and good stewardship of Taxpayer resources. If the Board does not concur with our thoughts on this matter, then a thorough public explanation of the reasoning behind this decision is respectfully requested. To date, such an explanation has not been offered.

Silver Oak offers to manage the Eagle Valley properties addressing all of the potential issues and citizen concerns of a management change at these properties including:

1. The continuation of the current policies allowing free play for senior citizens, student golf teams, and juniors meeting certain existing age requirements. There would be no alteration to these policies.

2. The honoring of tournament obligations and "50 mile club" obligations at no cost to the City.
3. A guarantee that the courses would be available for disposal of effluent in the exact same manner as currently exists. We understand the critical nature of this requirement and because we already use effluent at our Silver Oak property, we need no training and are well-experienced in the proper handling of this commodity produced and supplied by Carson City Utilities.
4. The opportunity for current employees to re-apply for their positions at the facility.

The terms of the offer to manage by Silver Oak are **article-for-article, 1-14, the exact terms of the contract that was approved in concept at the May 2, 2013 meeting**, with the following improvements to the existing agreement:

1. Article 5.7 shall be changed to increase the amount paid to Carson City from six percent (6%) to seven percent (7%), an increase in revenue back to Carson City.
2. Silver Oak, or its entity, agrees to pay the first year's lease to Carson City upon the execution (up front) of a Lease Agreement in an amount of approximately \$120,000.00, in cash. This offers greater security to the City in regards to the lease. At the last meeting Mr. Kepler commented that, "he has friends and he could put together \$100,000 too." Silver Oak respectfully request the Board to require Mr. Kepler to post the \$100,000 he graciously offered during your last meeting.
3. Silver Oak, or its entity, also offers to place an additional amount of money on deposit of up to \$300,000, in cash, as ongoing security for the lease if desired by Carson City.

It is our belief that upon completion of the 2013 golf season, (generally late November early December) would be a logical point in time to change golf course operators if through a competitive bidding process, a bidder other than the current management company were to prevail.

Silver Oak is confident that if offered the opportunity to manage the Eagle Valley properties, we can provide a better return to Carson City and greater transparency for revenues and "free-play" than the current management entity. All of this can be accomplished while maintaining a quality golf experience at the facilities which creates a win-win situation for golfers, Taxpayers, and Carson City.

Sincerely,


NORMAN J. AZEVEDO, ESQ.

NJA/jm