



City of Rochester Hills
AGENDA SUMMARY
NON-FINANCIAL ITEMS

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Legislative File No: 2014-0168

TO: Mayor and City Council Members
FROM: John D. Staran, City Attorney
DATE: April 17, 2014
SUBJECT: Assignment of Pine Trace Golf Course Lease

REQUEST:

City Council is requested to authorize assignment of the Golf Course Lease Agreement from Golf Concepts, Inc., to Bylen Golf Company, LLC.

BACKGROUND:

In 1986, the City entered into a long-term Golf Course Lease Agreement with Golf Concepts, Inc. to develop and operate of the Pine Trace Golf Course. The Lease Agreement has been amended 7 times and its term runs through 2025. Mike Bylen has been a shareholder of Golf Concepts and manager of the Pine Trace Golf Course since its inception. Recently, Mr. Bylen’s representative notified the City that Mr. Bylen is buying out his fellow shareholders in Golf Concepts. As part of the business reorganization, Golf Concepts, Inc. will be liquidated after assigning and transferring its assets and liabilities to a new entity, Bylen Golf Company, LLC, which will be solely owned by Mr. Bylen and will be the new operating entity. Under Section 10.1 of the original Golf Course Lease Agreement, the City must authorize an assignment of the Lease.

Mr. Bylen has requested the City’s authorization of the assignment of the Lease from Golf Concepts, Inc. to Bylen Golf Company, LLC. At the City’s request, a financial assurance letter has been provided by Golf Concepts’ primary commercial lender, Chase Bank, indicating its satisfaction with Mr. Bylen’s plan and the Bank’s intention to continue financing Pine Trace Golf Club.

Mr. Bylen intends to be present at the 4/28 City Council meeting to provide further explanation and to answer questions.

RECOMMENDATION:

City Council is asked to authorize assignment of the Golf Course Lease Agreement from Golf Concepts, Inc., to Bylen Golf Company, LLC.

APPROVALS:	SIGNATURE	DATE
Department Review		
Department Director		
Mayor		
Deputy Clerk		