



Golf Course Operation and Concession Agreement Lone Star Golf Club

February 17, 2026

City Strategic Goal 1: Create an Environment Conducive to Strong, Sustainable, Economic Development.

Departmental Action

The Department of Aviation is presenting a resolution to the City Council that would authorize the City Manager, or their designee, to sign a Golf Course Operation and Concession Agreement between the City of El Paso ("Lessor") and EP GOLFCO, LLC. ("Lessee") to allow a private concessionaire to run the golf course for public use, to provide the successful operation, improved efficiency, and greatest benefit to the citizens of the City of El Paso, located at the premises numerically known as 1510 Hawkins Boulevard, El Paso, Texas 79925.

Background

- The Original Golf Course Operation and Concession Agreement was executed on April 1, 1985 and has since been amended and assigned multiple times.
- On August 30, 2022 the City approved the Seventh Amendment and Assignment to EP GOLFCO, LLC.
- The current agreement initial term expires March 31, 2026, with the final option term expiring in 2035.
- EP GOLFCO, LLC. has requested a new long-term agreement in anticipation of making capital investments.



Background

The proposed investments by the concessionaire, together with investments by the Airport, are intended to:

- Expand and modernize the facility;
- Address aging and outdated equipment;
- Add new revenue-generating uses, including a putting golf course; and
- Proactively plan for the replacement of critical golf course infrastructure and components

These improvements are expected to enhance the overall quality and condition of the property while increasing revenue to the Airport.



Terms of New Agreement

Term:

- Initial term of thirty (30) years
- Two (2) ten-year option to extend, contingent upon required capital investments

Rental Fees:

- Minimum Annual Guarantee: \$166,969.08 through December 1, 2026 and \$191,000 beginning January 1, 2027
 - Future years: greater of \$191,000 or 80% of the prior year's Percentage Rent
- Percentage Rent is 10-15% of Gross Revenue
 - Food and Beverage Revenues - 10%
 - Beer, Wine & Alcoholic Beverages Revenue - 15%
 - Putting Golf Course and Green Fees, Memberships, Driving Range Fees, Golf Cart Rentals, and Golf Equipment Rentals – 12%
 - Pro Shop Sales – 10%
- The concessionaire pays whichever amount is higher: the Minimum Annual Guarantee or the percentage of gross revenue.

Category	Current Agreement	New Agreement
Required Improvements by Concessionaire	No required capital improvements	<p>Concessionaire invests \$1.3M to design and construct a 31,000 SF putting golf course and outdoor dining area</p> <p>Clubhouse expansion constructed by concessionaire, with Airport reimbursing up to \$478,000 through rent credits</p>
Responsibility for Critical Infrastructure	Airport responsible for major repairs and replacement of the water well, water pumps, and irrigation system	Concessionaire assumes financial responsibility for ongoing maintenance and replacement of critical golf course infrastructure including water well, water pumps, lake, and irrigation system
Replacement Reserve Account	No replacement reserve account	Concessionaire funds a dedicated capital replacement reserve account for the future replacement of critical golf course infrastructure totaling \$5,366,400 over the term of the agreement
Percentage Rent	10% of food and beverage, 15% of beer, wine & alcoholic beverages, 12% of green fees, memberships, driving range fees, and golf cart rentals	<p>Adding:</p> <p>10% of pro shop gross sales</p> <p>12% of putting golf course fees</p> <p>12% of golf equipment rentals</p>

COVERED BAR, GAMING AREA & PUTT GOLF



Putting Golf Course Mood Board

Benefits to the City

- **Increased non-aeronautical revenue**
 - Strengthens the Airport's financial sustainability by generating revenue from non-aeronautical operations, which helps maintain competitive airline rates and charges
- **Preserves the long-term value of a City asset**
 - Ensures the asset is reinvested in, modernized, and properly maintained over the long term
- **Reduced maintenance risk and long-term costs to the Airport**
 - Protects the Airport from unexpected expenses by assigning responsibility for critical golf course infrastructure maintenance and replacement to the concessionaire, supported by required capital replacement reserves
- **Enhanced quality of life and community amenity**
 - Expanded services and family-friendly offerings improve the experience for community members and visitors.

Requested Council Action

Authorize the City Manager, or their designee, to sign a Golf Course Operation and Concession Agreement between the City of El Paso ("Lessor") and EP GOLFCO, LLC. ("Lessee") to allow a private concessionaire to run the golf course for public use, to provide the successful operation, improved efficiency, and greatest benefit to the citizens of the City of El Paso, located at the premises numerically known as 1510 Hawkins Boulevard, El Paso, Texas 79925.

MISSION



Deliver exceptional services to support a high quality of life and place for our community.

VISION



Develop a vibrant regional economy, safe and beautiful neighborhoods and exceptional recreational, cultural and educational opportunities powered by a high performing government.



VALUES

Integrity, **R**espect, **E**xcellence,
Accountability, **P**eople

MISIÓN



Brindar servicios excepcionales para respaldar una vida y un lugar de alta calidad para nuestra comunidad

VISIÓN



Desarrollar una economía regional vibrante, vecindarios seguros y hermosos y oportunidades recreativas, culturales y educativas excepcionales impulsadas por un gobierno de alto desempeño



VALORES

Integridad, Respeto, Excelencia,
Responsabilidad, Personas