



**CITY OF SANTA BARBARA**  
**PARKS AND RECREATION COMMISSION REPORT**

**AGENDA DATE:** March 25, 2015  
**TO:** Parks and Recreation Commission  
**FROM:** Golf Division, Parks and Recreation Department  
**SUBJECT:** Golf Options Committee

**RECOMMENDATION:** That the Commission:

- A. Establish a Golf Options Committee to review concession agreement and contractual options for the municipal course, including maintenance, pro shop, and restaurant operations, and develop a recommendation on which model is most beneficial to the City; and
- B. Appoint the Chair and one Commission member to serve on the Committee.

**DISCUSSION:**

Santa Barbara Golf Club, the City's only municipal golf course, has seen play decline since 1990 and has been further challenged by competitive pricing trends in the local golf market. Operating as an enterprise fund, the Golf Course has been below policy reserves since Fiscal Year 2008, and could deplete all of its reserves within the next 12 to 18 months. Staff has made a number of presentations to the Golf Advisory Committee, Parks and Recreation Commission, Finance Committee, and City Council on options to improve the financial sustainability of the golf course over the last six months.

At their March 10, 2015, meeting, City Council directed staff to move forward with three actions to improve the longer term financial outlook for the golf course, including: 1) enhanced golf course marketing to increase play, 2) a General Fund loan to refinance \$1,169,651 in Golf Fund debt at 3% interest over a 20-year term to reduce annual golf debt service, and 3) transition golf course maintenance from a City employee workforce to that of a private contractor.

Currently, the City operates the golf course with two concession agreements, including the pro shop and the restaurant. Both concession agreements will terminate in June 2016. This provides the City with the opportunity to choose whether the golf course is better served by having one, two, or three contractors to provide maintenance, pro shop, and restaurant services. All three models are common to municipal golf courses with varying risks and potential benefits. The priorities identified by the golfing community and City

Council are that the City retain a high degree of control over product (golf course condition, customer service, and operations), access by the community (policy), and affordability (fees).

A decision on the golf course operating model is needed by June 2015 to allow sufficient time for the Request for Proposal (RFP) process, contract negotiations, and any operator transitions.

### Golf Options Committee

Staff recommends that the Commission establish a Golf Options Committee (Committee) with representation from the Commission and the Golf Advisory Committee (GAC). The Committee would work with staff to review the various models, evaluate the risks and benefits of each, and develop a recommendation on which model is best for the City. The Committee's recommendation will go forward to the GAC, Parks and Recreation Commission, and to City Council.

Representation:     1 Park and Recreation Commission Chair  
                          1 Park and Recreation Commission Member  
                          1 GAC Chair  
                          2 GAC Members

Total: 5 members

Staff Liaison: Mark Sewell, Business Analyst

Gene Krekorian, with ProForma Advisors LLC, and author of "Evaluation of Operating Options, Santa Barbara Golf Club" (November 2014) will be a resource to the Committee.

A proposed timeline is below. It is anticipated that the Committee would meet two to three times between April 13<sup>th</sup> and May 8<sup>th</sup> to develop their recommendation.

March 25 <sup>th</sup>	Commission establishes Committee and appoints 2 representatives
April 8 <sup>th</sup>	GAC appoints 3 representatives
May 13 <sup>th</sup>	Committee recommendation to GAC for action
May 27 <sup>th</sup>	Committee and GAC recommendation to Commission for action
June 10 <sup>th</sup>	Commission recommendation to City Council

**SUBMITTED BY:** Mark Sewell, Business Analyst

**APPROVED BY:** Nancy L. Rapp, Parks and Recreation Director

