



CITY OF SANTA BARBARA

PARKS AND RECREATION COMMISSION REPORT

AGENDA DATE: September 28, 2016

TO: Parks and Recreation Commission

FROM: Golf Division, Parks and Recreation Department

SUBJECT: Santa Barbara Golf Club Update

RECOMMENDATION: That the Commission receive an update on the new management contract and restaurant concession lease at Santa Barbara Golf Club.

DISCUSSION:

Effective July 1, 2016, the Parks and Recreation Department (Department) entered into a new 4-year, 9-month contract with Santa Barbara Golf LLC, a wholly owned subsidiary of CourseCo Inc., for the management and operations of the City's municipal golf course, Santa Barbara Golf Club (Golf Club). The contract includes the responsibility for the maintenance and operations for the Golf Club under one entity, whereas previously, the Pro shop operations had been performed under a concession contract, and City labor provided all maintenance for the Golf Club. The management contract retains all policy and pricing decisions within the control of the City. In addition, the Department successfully negotiated a new 10-year lease with Mulligan's Café Inc., extending the 23-year relationship between the City and the Medina family. The new contract sets out increased provisions for golfers, event planners and patrons of the restaurant alike, as well as site renovations and improvements.

Transition

The transition from the former pro shop concessionaire and a City employee maintenance was completed successfully on July 1, 2016, due to careful and detailed planning by City, Concessionaire, and CourseCo management staff. Permanent City staff were transferred to the Parks Division and part-time hourly staff offered positions with CourseCo. Significant importance was placed on ensuring that these part-time staff be provided the opportunity to be hired, trained and inducted by CourseCo. Moreover, the plan called for minimal impact to golfers and so all previous programs, promotions, inventory and credit book accounts were transitioned, ensuring golfers would not be adversely affected.

CourseCo met staff many times, and interviewed every interested member of staff who had previously worked with either the City maintenance team or for the former concessionaire for a new position. CourseCo also hired an experienced General Manager,

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Randy Shannon, PGA, and Class A Superintendent, Jesse Seguin, CGCS, to head up the new team. Both individuals were very highly recommended and bring many years' experience managing golf courses in California.

Four permanent City employees transferred into the Parks Division on July 1. As presented during budget meetings, the Golf Division is reimbursing the General Fund, for the incremental costs incurred in Fiscal Year 2017. Two of the four staff that transferred filled vacant positions in July 2016.

CourseCo and Mulligans management staff meet weekly to review operations and plan joint marketing efforts including golfer promotions and event sales. The Golf Club recently hosted a Santa Barbara Chamber of Commerce mixer, and the two companies have been working together on joint marketing, and the delivery of tournaments and events.

Contract Assurance with CourseCo

To ensure that the golf course operations and maintenance can be delivered to the standards expected within the contract, monthly inspections are completed by Simon Herrera, Park Supervisor and former Golf Course Superintendent. These inspections review and grade performance against the contractual maintenance standards and Pro shop operations as exhibited with the contract. Results of the inspections are shared with CourseCo and regular communication occurs regarding any actions to be taken. In addition, two secret shopping audits have been conducted by an independent third party provider scoring the golf course at an exceptional 98.99%, and 98.06%, for July and August.

To increased rounds and revenue, CourseCo has offered new promotions and enticing discounts to encourage more play at traditionally quieter times of the day and week. This has already shown signs of success and will be continued as CourseCo seeks to deliver on the financial commitments for revenue growth. No pricing has increased and there are no plans to do so in the near future.

Golfers and the Golf Advisory Committee are regularly commenting about the improvements they have noticed in both service and maintenance quality at the Golf Club.

SUBMITTED BY: Mark D. Sewell, Parks and Recreation Business Manager

APPROVED BY: Jill E. Zachary, Parks and Recreation Director