

APPROVED
BY THE CITY COUNCIL

JAN 20 1998

OFFICE OF THE
CITY CLERK



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OFFICE OF THE
CITY MANAGER

CITY OF SACRAMENTO
CALIFORNIA

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January 6, 1998

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: WILLIAM LAND GOLF COURSE PARTNERSHIP AGREEMENT -
AUTHORITY TO NEGOTIATE**

LOCATION AND COUNCIL DISTRICT: District Four

RECOMMENDATION:

It is recommended that Council authorize the City Manager to negotiate a partnership agreement between the City and SAY-GOLF (Sacramento Area Youth Golf) for the management and operation of William Land 9-hole Golf Course.

CONTACT PERSON: Betty Masuoka, Deputy City Manager, 264-5704
Barbara Bonebrake, Downtown Department Manager, 264-7733
Ann Weaver, Golf Manager, 433-6315

FOR COUNCIL MEETING OF: January 20, 1998

SUMMARY:

The Golf Division has been investigating future operating scenarios to ensure financial success of the Golf Enterprise Fund. During meetings with the Mayor and Council's ad-hoc budget committee (referred to as the *Golf Division Working Group*) it was suggested that staff investigate the possibility of having a non-profit organization such as SAY-GOLF manage and operate William Land 9-hole Golf Course. This report requests that Council authorize the City Manager to negotiate a partnership agreement between the City and SAY-GOLF, a 501(C)3 non-profit organization, for the management and operation of William Land 9-hole Golf Course. If negotiations are successful, a partnership agreement would be brought back to Council for approval.

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

William Land 9-hole Golf Course was opened in 1924 for the purpose of providing a public golf course recreational facility. Attachment "A" reflects rounds of golf played and revenues generated from the William Land 9-hole Golf Course facility. Currently, the golf course is managed by a combination of City forces and contracted out services (maintenance and golf marshaling services are provided by City employees; food and beverage by Eurest Dining Services; and golf shop services are provided by American Golf Corporation).

- On 2/25/97, staff submitted its mid-year budget report to Council outlining short-term and long-term budget concerns facing the Golf Division. At the 2/25/97 Council meeting, the Mayor and Council formed an ad-hoc committee, *the Golf Division Working Group*, whose purpose was to investigate future operating scenarios that would ensure the financial success of the Golf Enterprise Fund. The Golf Division staff was given specific direction from the Mayor and Council that it must be self supporting, with no negative financial impacts to the General Fund. The *Golf Division Working Group* held several meetings and identified the following future operating scenarios: 1) City employees continue to provide maintenance and golf marshaling services; 2) privatization of golf maintenance and marshaling services; 3) formation of a JPA with the County of Sacramento; 4) selling a City golf course(s); and 5) a non-profit organization manage/operate William Land 9-hole Golf Course.
- On 5/17/97, staff reported back to Council that as a result of the mid-year adjustments to the Golf Division's budget, the Golf Division can continue to operate without negative impact to the General Fund through fiscal years 1997-98 and 1998-99. Staff also reported they would continue to investigate the various future operating scenarios discussed by the *Golf Division Working Group* and bring back to Council recommendations during the mid-year budget review process in January/February of 1999.
- Staff received a letter from American Golf, dated August 12, 1997, (Attachment B) stating that they would like the City to pursue the possibility of operating the entire William Land 9-hole Golf Course by a non-profit organization. Informal discussions were held with SAY-GOLF and American Golf to determine the level of interest and feasibility.
- Staff met with Eurest Dining Services on November 11, 1997 to discuss the possibility of having SAY-GOLF manage and operate the William Land 9-hole Golf Course. Subsequently, staff received a letter from Eurest Dining Services (Attachment C) stating their interest in having SAY-GOLF provide the food and beverage services at William Land 9-hole Golf Course.

It was only since 1996 that the expenses for the various City golf course locations were tracked and separated out in order to create profit/loss reports. Attachment "D" reflects the most recent profit/loss statement for the William Land 9-hole Golf Course which shows a net loss of \$45,213.00 in fiscal year 1996-97. Please note that the losses shown in Attachment "D" do not reflect the additional negative financial impacts that would occur by completing much needed capital improvement projects.

Over the past two years, the Golf Division has explored ways of increasing the profitability of William Land 9-hole Golf Course. Most recently, we began renting power golf carts to customers at William Land 9-hole Golf Course - for the first time in the history of this facility. The customer response has been very favorable and resulted in increased rounds of golf played and new cart revenues to the City in the amount of \$2,813.72 during the period of April 1997 through October 1997. Due to the lack of continuous cart paths, power carts are prohibited during the winter months to avoid irreparable damage to the golf course. Cart path installation is an unmet capital improvement need at William Land Golf Course.

Due to lack of interest by private operators and the financial challenges at William Land 9-hole Golf Course, the City has historically (since 1971) linked the Bing Maloney Golf Course pro shop and food and beverage leases to the William Land Golf Course leases - requiring prospective operators to bid on managing both operations.

The financial challenges facing the entire Golf Division coupled with the financial losses experienced at William Land 9-hole Golf Course, have resulted in the necessity of keeping staffing levels for maintenance and marshaling to a minimum. This situation has resulted in below average maintenance standards and golf marshal coverage during a time of intense competition from other area golf courses. The Golf Division has faced deficits for three years straight, and has been unable to complete much needed capital improvement projects. The *Golf Division Working Group* identified over 12 million dollars in capital improvement needs. The Golf Division does not foresee the ability to make any major capital improvements to William Land 9-hole Golf Course in the future, due to higher priorities at the other, more profitable, City golf course locations (e.g. the need for irrigation systems and cart paths at Bing Maloney and Haggin Oaks Golf Courses).

The proposal to negotiate with SAY-GOLF is similar in nature to the Council-approved agreements with the Zoo and Fairytale Town. Enclosed for Council review and information is a copy of a newspaper article (Attachment E) that was sent to me by one of our senior Sacramento golfers which discusses the need for player development sites and youth golf.

SAY-GOLF was formed in 1983, its original purpose was to save high school golf teams. In 1984, SAY-GOLF started the Little Linkers Program which is now used by the Professional Golfers Association (PGA) as a national role model for junior golf programming. During the past years, SAY-GOLF has raised over \$700,000 to support youth golf in the Sacramento Region. If negotiations are successful, it is the vision of SAY-GOLF "to restore William Land Golf Course as Sacramento's cradle of golf and to become

WILLIAM LAND GOLF COURSE PARTNERSHIP AGREEMENT

the premier nurturer of the game's lifetime core values of honesty, integrity, discipline and respect." The Sacramento Area Youth Golf Association would create, maintain and enhance an environment that: 1) enrolls all communities and age groups in the game's values and beliefs; 2) develops responsible, productive community citizens and leaders; 3) cultivates and educates players about the game's techniques, etiquette, rules and traditions; and 4) provides affordable access to all players. Current William Land Golf Course patrons will continue to have access to the facility, it will remain a public golf facility.

FINANCIAL CONSIDERATIONS:

A successful agreement with a non-profit operator offers the opportunity to reduce the City's Golf Enterprise Fund annual losses (\$45,000 in fiscal year 1996-97) over a period of time, and provide the ability to complete necessary capital improvements.

ENVIRONMENTAL CONSIDERATIONS:

None.

POLICY CONSIDERATIONS:

The affected City employees and Stationary Local No. 39 International Union of Operating Engineers have been notified and provided a copy of this report. During the negotiation process, every effort will be made to minimize negative impacts to City employees. The execution of a proposed partnering agreement between the City and SAY-GOLF for the operation and management of William Land 9-hole Golf Course is consistent with the City Council's priorities for providing *positive youth alternatives, City-wide inclusiveness of our diverse population, and fiscal viability and reinventing of City Government*. The proposal to form an agreement with SAY-GOLF will result in a more efficient and economical provision of public services.

Respectfully submitted,



Ann Weaver, Golf Manager
Cultural Arts Consortium

RECOMMENDATION APPROVED:

APPROVED



William H. Edgar
City Manager



Betty Masuoka, Deputy City Manager
Cultural Arts Consortium

**CITY OF SACRAMENTO
GOLF DIVISION**

**WILLIAM LAND GOLF COURSE
HISTORICAL CITY REVENUE**

<u>CATEGORY</u>	<u>FY 97</u>	<u>FY 96</u>	<u>FY 95</u>	<u>FY 94</u>
GREEN FEES	425,931	461,941	383,708	463,988
RESTAURANT	7,384	12,207	11,267	15,528
GOLF SHOP	1,971	1,694	*	*
TOTAL	435,286	475,842	394,975	479,516
HISTORICAL ROUNDS	76,757	63,426	55,567	77,279

* Figures not available as golf shop figures for William Land were combined with Bing golf shop.

August 12, 1997

Ann Weaver
City of Sacramento
8325 River Road
Sacramento, Ca. 95832

Dear Ann,

American Golf would like to know if there would be any interest by the City in exploring the possibility of operating William Land Golf Course as a not for profit facility to benefit junior golf. Other courses have successfully implemented this type of program by integrating junior programs with mainstream golfers.

This year has seen tremendous growth in junior golf with children from families of all income levels. Parents are realizing their children can learn things through golf such as honesty, perseverance and humility and have fun at the same time. More and more families are spending time together on the golf course. "Tigermania" is making its mark everywhere as evidenced in our local clubs. As you know, Sacramento Golf Council junior events have had hundreds of players while having to turn away hundreds more for lack of space, and the Little Linker programs are busting at the seams. Unfortunately, industry analysts predict the majority of these new players will leave the game within the first year because of limited access and the lack of organized instruction and competition. To be sure that we do not miss this opportunity, American Golf is ramping up its player development programs across the country through the development of an organization that's primary mission is not only to attract players but to create long term commitment by focusing on junior golf. We are currently finalizing an agreement with the Tiger Woods Foundation to be a partner with American Golf as well as coordinating efforts with the LPGA for the Urban Golf Program. We have a unique opportunity in Sacramento with its existing junior infrastructure as well as a facility such as William Land which is playable for juniors, relatively inexpensive and centrally located. With the guidance of a group such as Say Golf, sponsored by local business, the U.S.G.A. and others, organized golf programs could be made available to children without interrupting the current home clubs and other patrons of William Land.

We offer this suggestion with junior golf and the community in mind. If there is any interest by the City, American Golf would like to offer assistance in determining feasibility. Thank you for your consideration. We look forward to hearing from you soon.

Tim Walsh
American Golf Corporation
Bing Maloney GC
6301 Freeport Blvd
Sacramento, Ca. 95822



November 19, 1997

Ann Weaver
Golf Manager
Department of Community and Visitor Services
8325 River Road
Sacramento, CA 95832

Dear Ann:

I am following up with our conversation on November 11th, regarding William Land and Say - Golf. Upon reviewing Say - Golf's request to the City of Sacramento to pursue a long-term management lease for the William Land Park Golf Course and based on our conversations, Eurest is prepared to make an amendment to our existing contract. This amendment would be to release the William Land portion of the contract and would not affect the contract as it relates to Bing Maloney.

We are aware of the timeline for this project, however, we would prefer to operate at William Land thru the end of our Fiscal Calendar ending September 10th, 1998. This would allow a clean break from the account.

As we discussed in our meeting, we view this as a win - win situation for all parties and we are pleased to assist with this matter anyway possible. Please do not hesitate to call with any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward Schwannecke III".

Edward Schwannecke III
District Manager

c: K. Hawes
K. Merton

**CITY OF SACRAMENTO
GOLF DIVISION**

WILLIAM LAND GOLF COURSE

FY 96-97

Historical Rounds

		<u>FY 96-97</u>	<u>FY 95-96</u>	<u>FY 94-95</u>	<u>FY 93-94</u>
EXPENSES					
Personnel Services	213,842				
Supplies and Services	161,620	76,757	63,426	55,567	77,279
Indirect Expenses	99,637				
Equipment	6,900				
CIP Contribution	0				
Major Maintenance	7,000				
Total Expenses	488,999				
REVENUES					
Green Fees	425,931				
Restaurant Concession	7,384				
Golf Shop Concession	1,971				
Interest	8,500				
Total Revenues	443,786				
PROFIT/LOSS	(45,213)				

Indirect Expenses Detail:

Golf Admin Expenses	35,000
Golf Marshal Expenses	12,000
Starter Fees	16,637
Misc. Supplies (Scorecards, Pencils, etc.)	<u>36,000</u>
	99,637

Note:

Interest of \$8,500 represents W.L. estimated portion of interest earned from City Cash Pool.

File: c:\w\prfls

Attachment "D"

I thought this would be of interest to you.

*Bob Ronge
12/4/97*

LINKED FOR A CAUSE

Attachment "E"



Case Martinez, 13, practices on the driving range. Owner Steve Champion plans to have a course.

BY CHARLES CLINES
Star-Telegram Staff Writer

Probably as no other golfer, Tiger Woods has spurred interest in golf among youngsters of all races. Now, maybe the ripples of his popularity will produce what is needed for youngsters to get to the first tee and beyond — affordable places to learn and play the game.

A major step was taken in November with the announcement of The First Tee program, organized by the non-profit World Golf Foundation and supported by the major golf associations.

"Our goal with The First Tee is to build facilities that allow affordable access for people in general, but with the focus on kids," said Dennis Alpert, director of special programs for the PGA Tour and The First Tee program.

In that regard, Fort Worth already has a tee in the ground.

About a year ago, Mira Vista Country Club professional Lindy Miller began the Lindy Miller Foundation for Junior Golf with the ultimate goal of building a course in Fort Worth's inner-city area where youngsters could play at cheap rates. With assistance from other Fort Worth-area pros, volunteers and the Fort Worth Parks and Community Services Department, his program introduced golf to many minorities and underprivileged youngsters this past summer.

The next and most important step, Miller said, is to give these youngsters a place to play. He sees The First Tee as one way to help achieve this.

"Ideally, I would like a practice facility, a fully staffed, nine-hole course and a big putting green,"

Fort Worth ahead of game in golf's goals for children

Numbers game

The golf industry hopes new programs to make golf available and affordable to youngsters will change some statistics:

- The average age of the beginning golfer is 29
- Less than 2 percent of children 12-17 are introduced to golf each year
- Of those younger than 17 exposed to golf
 - Only 15 percent are from families earning less than \$30,000 annually
 - Only 3 percent of the golfers in the United States are black and 2 percent are Hispanic.

Miller said. "Then we could take kids from the putting green to the range and then to the course. And I want a course that is fair, yet challenging that could play anywhere, depending on the tees played, from 1,200 yards to maybe 3,300 yards. I want the kids, when they come out, to feel like it's a special place."

Alpert said he has talked to Miller and said the project "seems like a perfect match" with The First Tee.

Steve Champion, owner of Casino Beach Golf in Fort Worth, also has visions for a learning facility for juniors. Champion, however, wants to include families at his par-3 course and driving range and charge nominal

fees. He recently completed a deal with architect Michael Hurdzan of Columbus, Ohio, to remodel his facility in the next couple of years to provide such a place.

Hurdzan, who is on a crusade of sorts to build affordable courses, has agreed to design an executive-type course for a small percentage of his usual fee.

"I think what Steve is wanting to do is the heart and soul of golf," said Hurdzan, who has designed or helped design more than 200 courses. "Look at the other sports that are popular, like softball and baseball. There are so many fields available where a youngster can become indoctrinated. And all they need is a ball and glove. They don't need a big, sophisticated field. ... We should have that same sort of thing in golf. God knows how many Lee Trevinos, Tiger Woods and Chi Chi Rodriguezes then could see if the game is right for them."

Miller's project is a nonprofit venture. Champion said he is contemplating some type of nonprofit program to fit in with his plans.

Champion wants his facility to include a chip-and-putt course, similar to what he has now, and a modest executive-type layout. Champion said this would provide a natural progression for an aspiring golfer: learning the game on the chip-and-putt layout, graduating to the executive course, and then move on to bigger courses.



Star-Telegram/HILLERY SMITH

Case Martinec, 13, practices on the driving range at Casino Beach Golf. Owner Steve Champion plans to have a course affordable for families.

"Family golf should be destination No. 1," Champion said. "As far as player development goes, there is no place now to take your 8- or 9-year-old, when they're just beginning to develop athletic ability."

He isn't planning a multimillion-dollar course.

"Too many people are caught up now in building \$8 million or \$9 million courses, and charging high greens fees. I think they're missing the boat on a lot of people," Champion said.

The initial two-year goal of The First Tee program is to identify sites for 100 golf facilities that will introduce the sport to as many as 1,000 youngsters and adults annually.

The First Tee wants to secure 50 or more trustees who will contribute at least \$1 million to serve as seed money. Jackson Stephens, chairman of Augusta National, has already made a personal contribution of \$5 million, and the U.S. Golf Association has given a \$1 million grant.

And there's more money available, especially to Miller's program.

Carl Donner of the USGA said he wants to talk to Miller because the USGA Foundation is committing \$50 million over 10 years for affordable access to courses. The foundation, Donner said, deals only with non-profit programs such as Miller's.

Miller said he also wants to keep local funding for long-range operation of the course. He wants to ensure that the course isn't underfunded, and hopes to establish a perpetual fund that will assure nominal fees forever.

The ball is on the tee. Now, Miller said, it's just a matter of following through.

APPROVED
BY THE CITY COUNCIL

JAN 20 1998

OFFICE OF THE
CITY CLERK

RESOLUTION NO. 98-019

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF JANUARY 20, 1998

WILLIAM LAND GOLF COURSE PARTNERSHIP AGREEMENT

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO:

1. That the City Manager is authorized to negotiate a partnership agreement between the City and SAY-GOLF for the operation and management of the William Land 9-hole Golf Course.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO: _____

DATE ADOPTED: _____