City of Sunnyvale

Agenda Item

15-0944 **Agenda Date:** 1/29/2016

2016 COUNCIL STUDY ISSUE

NUMBER
DPW 16-07

TITLE Golf Course Land Use Options and Opportunities

BACKGROUND
Lead Department: Public Works
Support Department(s): Finance

Sponsor(s):
Councilmembers: Council Study Session

History: 1 year ago: N/A
2 years ago: N/A

SCOPE OF THE STUDY
What are the key elements of the study?
The City Council held a study session on September 29, 2015 to discuss the City's golf courses finances and possible next steps. As part of the presentation staff proposed three options of next steps that could be analyzed. The three options included: (1) maintaining the golf course as it currently operates today, (2) pursuing a private golf course operator, and (3) pursuing other land use options for the golf course property. The Council discussed the presentation at length, and although the discussion was not focused on pursuing other land use options for the golf course property, staff has prepared this study issue for Council consideration (per the Study Session presentation next steps). If no action is taken by the City Council, staff will continue with option (1) maintaining the golf course as it currently operates today unless further direction to staff is provided. This option, of course, continues with staff's efforts to implement cost saving opportunities and identify any measures to mitigate the subsidy outlined in the 20 Year Plan.

The study issue will require a consultant and analyze the following:

- Lands use opportunities - What could the golf course properties be used for. This would also include maintaining it as a golf course, or maintaining only one of the golf courses.
- Financial Analysis - An analysis of land values, capital costs for new uses (including environmental, design, and construction), maintenance costs, and private use options.
- Robust community outreach program - It would include current golfers, as well as general community to help establish priorities, needs, and concerns.

As part of the Study Session Council also discussed whether further analysis was needed to determine the acceptable level of City subsidy for the golf courses. While no action was taken at the

study session, as part of the budget process staff will further review the current and future revenues and expenditures for the golf course, analyze the current and expected subsidy levels, and present the information to Council to determine if any additional actions will be required.

What precipitated this study?
The Council had expressed concerns about the past requirement to subsidize the Golf & Tennis Fund and the future subsidy assumptions/requirements in the City's 20 year Financial Plan.

Planned Completion Year: 2018

FISCAL IMPACT

Cost to Conduct Study

Level of staff effort required (opportunity cost): Major

Amount of funding above current budget required: $500,000

Funding Source: General Fund

Explanation of Cost:
The costs associated with the study would be for consultant services to explore land use options, perform financial analysis, and coordinate the outreach efforts.

Cost to Implement Study Results

Unknown: Study would include potential costs

EXPECTED PARTICIPATION IN THE PROCESS

Council-approved work plan: No
Council Study Session: Yes
Reviewed by Boards/Commissions: Parks and Recreation Commission

STAFF RECOMMENDATION

Position: No position

Explanation: The study issue will provide the Council options for other land uses at City golf courses.

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