



# City of Sunnyvale

## Agenda Item

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15-0944

Agenda Date: 1/29/2016

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### 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.

Prepared By: Manuel Pineda, Director of Public Works

Reviewed By: Grace K. Leung, Director of Finance

Reviewed By: Kent Steffens, Assistant City Manager

Approved By: Deanna J. Santana, City Manager