



City of Sunnyvale

Agenda Item-No Attachments (PDF)

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REPORT TO COUNCIL

SUBJECT

Authorize City Manager to Execute a Cooperative Agreement for Services with City of Santa Clara to Provide Golf Programs and Services

BACKGROUND

The City owns and operates two golf facilities, Sunnyvale Golf Course featuring an 18-hole course, pro-shop and full service food concession, and Sunken Gardens Golf Course that features a nine-hole executive course with an 18-stall driving range and full service food concession. The City of Santa Clara owns the Santa Clara Golf & Tennis Club (SCG&TC) which provides an 18-hole course and multiple tennis courts. Santa Clara will be closing SCG&TC in October 2019 to begin construction of a mixed-use development. A reduction in SCG&TC services to the public will begin on or about October 1, 2019, and golf and tennis operations cease on or about October 15, 2019.

Santa Clara is requesting an exclusive relationship with the City to provide golf services to Santa Clara residents at Sunnyvale resident rates at Sunnyvale Golf Course and Sunken Gardens Golf Course. Santa Clara golf patrons will benefit from Sunnyvale resident rates which offer savings over the non-residential rates. Patrons would include Santa Clara's residents and resident SCG&TC clubs (seniors, men's, women's, juniors), high school teams, annual tournaments, and instructional and junior players. Sunnyvale would receive SCG&TC databases for outreach to include opportunities for lessons revenue, inclusion in the City of Santa Clara activity guide, marketing and direct customer referrals.

EXISTING POLICY

General Plan, Chapter 4, Community Character - Recreation

Policy CC-10.6 - Leverage available resources by pursuing co-funded and/or cooperative agreements for provision and maintenance of programs, facilities, and services, in order to maximize benefits to the community. Partners may include, but are not limited to, school districts, non-profit groups, governmental agencies and businesses.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

DISCUSSION

If approved, the City Manager or designee will be authorized to execute a Cooperative Agreement for Services (Attachment 1) exclusively with the City of Santa Clara consistent with the following terms and conditions:

Five (5) year term with mutual option for up to two one (1) year extensions.

City of Sunnyvale will provide the following services:

- Resident Fees. Discounted fee for Santa Clara residents who play golf at Sunnyvale Golf Course or Sunken Gardens Golf Course equivalent to the Sunnyvale resident rates (with valid documentation/identification).
- High School Teams. Discounted fee equivalent to the Sunnyvale High School per season rate for Wilcox/Santa Clara/Cupertino High Schools to play at Sunnyvale Golf. The rate includes (a) 16 play dates at Sunnyvale or Sunken Gardens; (b) a range card for balls at Sunken Gardens.
- Instructional Golf. Provide an instructional golf program (classes, clinics, camps, etc.) to Santa Clara residents with Activity Guide promotion and registration conducted through the Santa Clara Parks & Recreation Department. Fees will be equivalent to Sunnyvale residents' with Sunnyvale/Santa Clara conditions, registration fees will be paid to the City of Sunnyvale based on actual class registration and fees collected, and according to the Santa Clara class Cancellation Policy.
- Clubs. Provide SCG&TC clubs, groups, ambassadors and volunteers an opportunity to transition to Sunnyvale Golf, either as a separate club or opportunity to join Sunnyvale clubs.
- Tournaments. Active recruitment and favorable rates to current Santa Clara tournaments.
- Promotion. Provide content, website direction, and email communication to Santa Clara for all course and program promotions for distribution to Santa Clara residents.

In exchange for the services, the City of Santa Clara will provide:

- Exclusive use of SCG&TC databases for outreach and marketing opportunities in Sunnyvale.
- Refer Santa Clara Schools to Sunnyvale Golf for preferred home team location.
- Exclusively contract with the City of Sunnyvale to provide recreational/instructional golf programs, lessons, camps and clinics in the seasonal Santa Clara Activity Guide. Similar to other recreation programs, the City of Santa Clara shall provide a registration portal to enroll program/class participants, collect fees and pay City of Sunnyvale fees based on actual class registration.
- Provide City of Sunnyvale an exclusive opportunity to recruit Men's, Ladies' and Senior Clubs to Sunnyvale Clubs, scheduled tournaments, and contact information.
- Promote Sunnyvale Golf Course discount programs on City of Santa Clara website, Activity Guide and other publications/methods.

FISCAL IMPACT

The proposed agreement should have minimal cost expenditures. It is anticipated that there will be a

positive fiscal impact on the Golf and Tennis Fund. The financial benefits of the agreement will be experienced through increased participation and course revenues at the Sunnyvale Golf Course or Sunken Gardens. The exclusivity clause will also give Sunnyvale a greater competitive market edge with other comparable courses. Sunnyvale also receives payment of fees collected by Santa Clara for any classes or lessons minus any administrative fees. Santa Clara resident golfers who use the discounted Sunnyvale resident rates will financially benefit from the reduced cost to play in Sunnyvale, when compared to the non-resident rate.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's website.

ALTERNATIVES

1. Authorize the City Manager to execute a five-year agreement, in substantially the same form as Attachment 1 to the report, exclusively with the City of Santa Clara to provide golf programs and services and to extend the term of the Agreement for two one-year periods.
2. Authorize the City Manager to execute a five-year agreement, in substantially the same form as Attachment 1 to the report, exclusively with the City of Santa Clara to provide golf programs and services and to extend the term of the Agreement for two one-year periods, with modifications.
3. Do not Authorize the City Manager to execute an agreement exclusively with the City of Santa Clara to provide golf programs and services.

STAFF RECOMMENDATION

Alternative 1: Authorize the City Manager to execute a five-year agreement, in substantially the same form as Attachment 1 to the report, exclusively with the City of Santa Clara to provide golf programs and services and to extend the term of the Agreement for two one-year periods.

Sunnyvale golf courses have been experiencing a gradual decline in golf revenue. The proposed agreement should have a positive impact on golf revenue by drawing more players to Sunnyvale's courses. The exclusive agreement would direct current Santa Clara golfers to Sunnyvale's golf courses instead of competing courses in other Bay area cities. Both Sunnyvale golf courses have the capacity to allow these additional golfers without negatively affecting current players or residents.

Prepared by: James Stark, Superintendent of Parks and Golf

Reviewed by: Chip Taylor, Director, Public Works

Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Cooperative Agreement for Services