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**Parks and
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Staff Report

SS ITEM 3

To: Lemoore City Council
From: Joe Simonson, Parks and Recreation Director
Date: September 11, 2013
Subject: Concept of Selling the Lemoore Golf Course

A handwritten signature in blue ink, likely belonging to Joe Simonson, the Parks and Recreation Director.

Discussion:

At the Council Meeting September 3, 2013, concerned citizen Karen Polk Osterland spoke during public comment. She was concerned about the possible sale of the Lemoore Golf Course and the repeated postings on the council agendas regarding the Tachi Youkut Tribe's interest in the property.

There is currently nothing to announce or discuss. A representative from the Tachi Yokut Tribe approached the City Manager inquiring about the golf course. A well publicized round of golf was played by staff members and a representative from the Tribe and to date no formal offer has been made. Unfortunately in the absence of facts, many rumors and theories have surfaced that are simply not true.

The Mayor requested that a pro and con discussion be brought back to Council regarding the concept of selling the golf course. This will allow as much of the public's input as possible, so that if any one ever approaches the City in the future, regarding interest in the golf course, most of the issues and concerns would be out in the open and transparent. Council could then take everyone's ideas into consideration.

Mrs. Osterland brought up the point that while money is important, money is not everything. While that is true, here is the current financial obligation the City of Lemoore has with the golf course.

After the recent refinancing, combined with the bold decision by Council to use \$1.2 million of General Fund dollars to reduce the obligation, the golf course income should now cover or nearly cover the \$191,128 in yearly obligations that are scheduled to be paid off in June of 2020. At that time the obligation jumps to \$300,000 per year and is scheduled to be paid off in June of 2027 with the increased and optimistic payment schedule. The \$300,000 per year would then be deposited into the General Fund. The following are a few ideas of the Pros and Cons of the City of Lemoore selling the Lemoore Municipal Golf Course with the assumption that it would remain a public golf course.

Why the City Should Consider Selling Lemoore Municipal Golf Course:

1. The City is no longer on the hook for the financial obligation and there is an influx of cash in the general fund.
2. Regardless of the economy or future golf course competition, the City of Lemoore is out of the business.
3. Regardless of future capital improvement needs, the City of Lemoore would no longer be responsible for those. Examples are:
Well Replacements
Lost Greens
Cart Barn and Club House Maintenance

Why the City Should Not Consider Selling Lemoore Municipal Golf Course:

1. The loss of local control. The City would not decide on the Management Company, personnel or improvements made on the golf course. The Council would have no input in setting green fees and the City would lose control over the condition of one of the City's largest assets.
2. The City would give up the potential long term income after the golf course debts are fully paid off in approximately June of 2027.
3. What if the new owners were to fail and the golf course was in complete disrepair and an eyesore to the community, similar to the Selma golf course? Would the City be given the first opportunity to purchase it back and if so how much would it cost at that time to rejuvenate it?
4. The possibility of losing our valued employees at the golf course.

Other Items to be Considered:

1. Concern about special reduced rates that are currently available for seniors, children, students and the military.
2. The golf course remains a golf course and is not allowed to become a housing track, shopping center, amusement park, etc; and that the City put legal protections in place to insure that it remains a public golf course.
3. The sale of the golf course must allow for job security of all current employees for at least one year.

Budget Impact:

None.

Recommendation:

The purpose of this report is to let the voice of the public be heard as it pertains to the currently nonexistent possibility of selling the Lemoore Municipal Golf Course. The above listed Pros and Cons are but a few of what the public may want to voice. Staff recommends that the Mayor open the floor for public comment on this topic.