





LEASE OF SWENSON GOLF COURSE AND
INTERIM PLAN FOR VAN BUSKIRK GOLF
COURSE

AUGUST 20, 2019

SUMMARY

- RFP process for lease of Swenson has resulted in the recommendation of KemperSports Management (KSM) to enter into a 15-year lease agreement with one 10-year renewal option.
 - The 15-year forecast estimates over \$1,000,000 in investment by KSM.
 - The City will provide a one-time payment to KSM of \$350,000 for course improvements and repairs.
 - A transition plan will be in effect between now and December 31, 2019 with the new lease beginning on January 1, 2020. Negotiations stipulate Van Buskirk close as of August 31, 2019
 - Community engagement with the Van Buskirk community determined short and long-term priorities for the property.
 - A maintenance and security plan was developed and is ready to implement for interim care of Van Buskirk. Staff will continue to focus on identifying funding to achieve long-term goals.
 - Estimated General Fund savings of \$282,000 annually beginning 2020-21. Additional expenditures will be planned for and requested via the annual budget process.
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BACKGROUND


- General Fund subsidy required for Swenson and Van Buskirk since 2010
 - Management agreement with KemperSports began in 2011
 - Ongoing issues with deferred maintenance, reduction in golf play, lack of amenities, lack of funding for improvements.
 - December 4, 2017 City Council directed staff for solutions to reduce or eliminate golf subsidy, maintain golf at Swenson and conduct community engagement to understand needs of Van Buskirk users and neighborhood residents.
 - In January 2018 Mayor Tubbs formed Golf Task Force to develop recommendation
 - Golf Task Force recommended issuing RFP for lease of Swenson and engagement with Van Buskirk residents and golfers.
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TIMELINE

Date	
May 22, 2018	RFP Issued
August 23, 2018	RFP closed; three proposals received
September 2018	RFP Evaluation panel convened
October – November 2018	Panel reviewed proposals and conducted interviews. KemperSports unanimously selected. Commenced negotiations
December 2018 – January 2019	Community engagement conducted in Van Buskirk neighborhood
February 2019 – August 2019	Continuation of Swenson negotiations and developing plans for Van Buskirk



SWENSON LEASE TERMS

- 15-year lease with one 10-year renewal option.
 - KSM lease payments for 15 years estimated at \$82,000.
 - KSM to invest \$250,000 in new greens maintenance equipment.
 - KSM to put aside 2% of operating revenue in year five in a Capital Contingency fund estimated at \$463,000
 - KSM to replace golf carts, estimated at \$250,000
 - City to make a one-time contribution of \$350,000 for improvements to Swenson café, driving range, and bunkers.
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VAN BUSKIRK INTERIM PLAN

- Golf operations to cease as of August 31, 2019 with property management returning to City and transitioning to open space.
- Change order with BrightView to assume landscaping and maintenance September 1, 2019
- Security services added seven days a week beginning September 1, 2019.
- RFP will be issued to determine interest in utilizing café and pro-shop buildings by organizations providing services to the neighborhood.



VAN BUSKIRK LONG-TERM PLAN



- Public recreation site including existing community center, sports fields, walking paths, and other community-driven amenities.
- Van Buskirk heirs amenable to educational uses, using some of the property possibly as a school site.
- Strong Communities (Measure M) prioritizes \$1 million dollars for Van Buskirk in 2024. Staff will review expenditure plan to see if funds can be prioritized sooner.
- Staff is working to identify additional funding sources for improvements and develop partnerships for repurposing the property for recreational and educational uses.
- City will engage consultant to develop plan and strategic direction for the development of the site.
- Community engagement will continue with the established group of community stakeholders.

FINANCIAL SUMMARY

		2018-19	2019-20 est.	2020-21 est.	2021-22 est.
Swenson					
	Operational Subsidy	\$ 294,408	\$ 145,000	\$ -	\$ -
	One-Time Capital Contribution		\$ 350,000	\$ -	\$ -
Van Buskirk					
	Operational Subsidy	\$ 483,347	\$ 85,000	\$ -	\$ -
	BrightView Landscaping		\$ 200,000	\$ 238,000	\$ 238,000
	Security		\$ 150,000	\$ 180,000	\$ 180,000
	Contingency		\$ 120,000	\$ -	\$ -
	City Admin Expenditures	\$ 85,368			
Total		\$ 863,123	\$ 1,050,000	\$ 418,000	\$ 418,000

RECOMMENDATION

It is recommended that the City Council Adopt the following:

1. A resolution authorizing the execution of a contract to KSM Swenson LLC. for the lease of Swenson Golf Course beginning January 1, 2020, and approving findings pursuant to Stockton Municipal Code 3.67.070 adopting findings in support of an exception to the competitive bidding process; and
2. A resolution authorizing the execution of a Second Amendment to the Management Agreement and Transition Plan with KemperSports Management (C-11-202NP), approving the closure of Van Buskirk Golf Course, appropriating \$350,000 from the General Fund reserve to KSM for cafe improvements and critical repairs, and authorizing the City Manager to take all actions related to Golf Cart disposition; and
3. A resolution authorizing the execution of Contract Change Order Number 5 in the amount of \$307,760 with Brightview Landscaping (Project No. OM-18-062) for sixteen months of landscaping services at the Van Buskirk property.

It is also recommended that the City Manager be authorized to take all appropriate and necessary actions to carry out the purpose and intent of these three resolutions.

