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Title: Action on Authorization for City Manager to Negotiate and Execute an Exclusive Agreement with City of Sunnyvale to Provide Golf Programs and Services

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REPORT TO COUNCIL

SUBJECT

Action on Authorization for City Manager to Negotiate and Execute an Exclusive Agreement with City of Sunnyvale to Provide Golf Programs and Services

BACKGROUND

Opened in 1987, the Santa Clara Golf & Tennis Club (SCG&TC) provides services to over 50,000 residents and customers annually. The City of Santa Clara will be closing SCG&TC in October 2019 to begin construction of CityPlace Santa Clara, a multi-phased, 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 to the general public on or about October 15, 2019.

The City has explored providing its residents and SCG&TC clubs (seniors, men’s, women’s, juniors), high school teams, annual tournaments, and instructional and junior players, similar options and opportunities for continued play at nearby public facilities after SCG&TC closure. The City has begun discussions and seeks authorization to secure these services primarily for the benefit of its residents exclusively from the City of Sunnyvale due to the geographic proximity and mutual service interests.

The City of Sunnyvale owns and operates two golf facilities, Sunnyvale Golf 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, existing men’s and women’s clubs, and ample capacity to accommodate Santa Clara residents. An exclusive relationship with the City of Sunnyvale is desired to enable costs to be reasonably borne for the provision of services at favorable Sunnyvale resident rates.

DISCUSSION

If approved, the City Manager or designee will negotiate and be authorized to execute a Golf Programs and Services Agreement exclusively with the City of Sunnyvale and as approved to form

by the City Attorney, and consistent with the following terms and conditions:

- Five (5) year term with mutual option for up to five one (1) year extensions.
- Resident Fees - Santa Clara residents who play golf at Sunnyvale Golf or Sunken Gardens shall pay a fee equivalent to the current Sunnyvale resident rates (with valid documentation confirming resident status).
- High School Teams - Golf Teams for Wilcox, Santa Clara, and Cupertino High Schools shall pay a fee equivalent to that paid by Sunnyvale High School per season to play golf at Sunnyvale Golf, which shall include (a) 16 play dates at Sunnyvale or Sunken Gardens; (b) a range card for Sunken Gardens.
- Instructional Golf - City of Sunnyvale shall provide an instructional golf program (classes, clinics, camps, etc.) to Santa Clara residents with Activity Guide promotion and registration conducted through Santa Clara Parks & Recreation Department. City of Sunnyvale shall charge fees equivalent to those charged to Sunnyvale residents with valid documentation confirming resident status; registration fees will be paid to the City of Sunnyvale based on actual class registration and fees collected, and according to the Santa Clara/Sunnyvale recreation class cancellation policies, participation pre-requisites, and guidelines.
- Clubs - City of Sunnyvale shall 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 tournaments that had used SCG&TC for past tournaments.
- Promotion - City of Sunnyvale shall 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 would potentially 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 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 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's website, Activity Guide and other publications/methods.

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)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

There will be a minimal positive fiscal impact on the City of Santa Clara General Fund related to the collection and payment of golf instruction registration fees. This is anticipated to be similar to other City recreation program vendors and while not estimated at this time, it will be dependent upon actual program registration and recover 100% of City costs for promotion, registration and supervision and

Sunnyvale will receive payment of the remaining fees collected for the classes. Santa Clara resident golfers who use the discounted Sunnyvale resident rates will financially benefit from the reduced cost to play in Sunnyvale.

The financial benefits of the agreement will be experienced primarily by the City of Sunnyvale through increased participation and course revenues at the Sunnyvale Golf Course or Sunken Gardens. The exclusive contractual relationship will also give Sunnyvale a greater competitive market edge with other comparable courses.

COORDINATION

This report has been coordinated with the City Manager's Office, City Attorney Office, and the Finance Department.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Authorize the City Manager to negotiate and execute a five-year contract, subject to final approval by the City Attorney, exclusively with the City of Sunnyvale and authorize the City Manager to execute up to five one-year extensions of the term of the Agreement, and make appropriate modifications as necessary.

Reviewed by: James Teixeira, Director of Parks & Recreation

Approved by: Deanna J. Santana, City Manager