



Legislation Details (With Text)

File #: 18-909 **Version:** 1 **Name:**

Type: Consent Calendar **Status:** Agenda Ready

File created: 6/21/2018 **In control:** Council and Authorities Concurrent Meeting

On agenda: 7/17/2018 **Final action:**

Title: Action on the Yamaha Motor Finance Corporation, U.S.A. Equipment Lease for Golf Carts for Santa Clara Golf & Tennis Club (SCG&TC)

Sponsors:

Indexes:

Code sections:

Attachments: 1. Yamaha Lease Documentation - Exhibit A - Equipment Schedule, et seq., 2. Master Lease Agreement - Yamaha 2016, 3. SCGTC FY2018-2019 Budget

Date	Ver.	Action By	Action	Result
7/17/2018	1	Council and Authorities Concurrent Meeting	Approved the Consent Calendar	

REPORT TO SPORTS AND OPEN SPACE AUTHORITY

SUBJECT

Action on the Yamaha Motor Finance Corporation, U.S.A. Equipment Lease for Golf Carts for Santa Clara Golf & Tennis Club (SCG&TC)

BACKGROUND

The current Municipal Master Lease Agreement, dated July 6, 2016, for eighty (80) electric golf carts used at the Santa Clara Golf & Tennis Club (SCG&TC) extends through the period indicated on the Exhibit A-Equipment Schedule, which refurbished vehicles are at the end of their expected life in August 2018. American Golf Corporation has received a proposal from Yamaha Motor Corporation to provide a new Exhibit A to the Master Lease Agreement to replace the refurbished eighty (80) YDRE & three (3) YT2A golf carts with a new fleet for a new annual lease cost of \$64,320, and a total not-to-exceed amount of \$257,280 over a four-year term beginning August 1, 2018. Golf cart lease funding is included in the Sports and Open Space Authority (SOSA) Budget for SCG&TC approved on June 12, 2018 (RTC 18-277). Golf cart rentals at SCG&TC represent 18% of estimated annual revenues, or \$369,750, and are a necessary component of golf course operations since they are used by a high percentage of patrons.

DISCUSSION

The SCG&TC current golf cart fleet is six years old. Approving the lease agreement documentation will allow SCG&TC to provide a fleet of new golf carts for up to four years beginning August 1, 2018, at a favorable lease rate of 4.520%, with a lease close out option if SCG&TC course is closed after 12 months of execution date (August 2019). This will allow flexibility at the currently undetermined SCG&TC closing date and provide patron golf cart service.

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.

FISCAL IMPACT

The cost of the four year lease agreement with Yamaha is \$257,280 or \$64,320 per year (\$5,360.00 per month) as included in the SCG&TC FY 2018/19 budget, with no penalty for early termination after August 2019 for course closure. Revenues from cart rentals are \$369,750 per year.

COORDINATION

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

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 Contract Administrator for the Sports and Open Space Authority to execute the Yamaha Motor Finance Corporation, U.S.A. lease for a not to exceed amount of \$257,280 to provide 80 golf carts for SCG&TC.

Reviewed by: James Teixeira, Director, Parks & Recreation

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Yamaha Lease Documentation - Exhibit A - Equipment Schedule.
2. Yamaha Master Lease Agreement 2016
3. SCG&TC FY2018-2019 Budget