

Blue Rock Springs Golf Course Revitalization Project

Will Morat
Office of the City Manager
January 23, 2018



Overview

- Recommendation
- Background
- RFQ Goals & Process
- Revitalization Project Concepts
- Public-Private Partnership Team
- Next Steps

Recommendation

By motion:

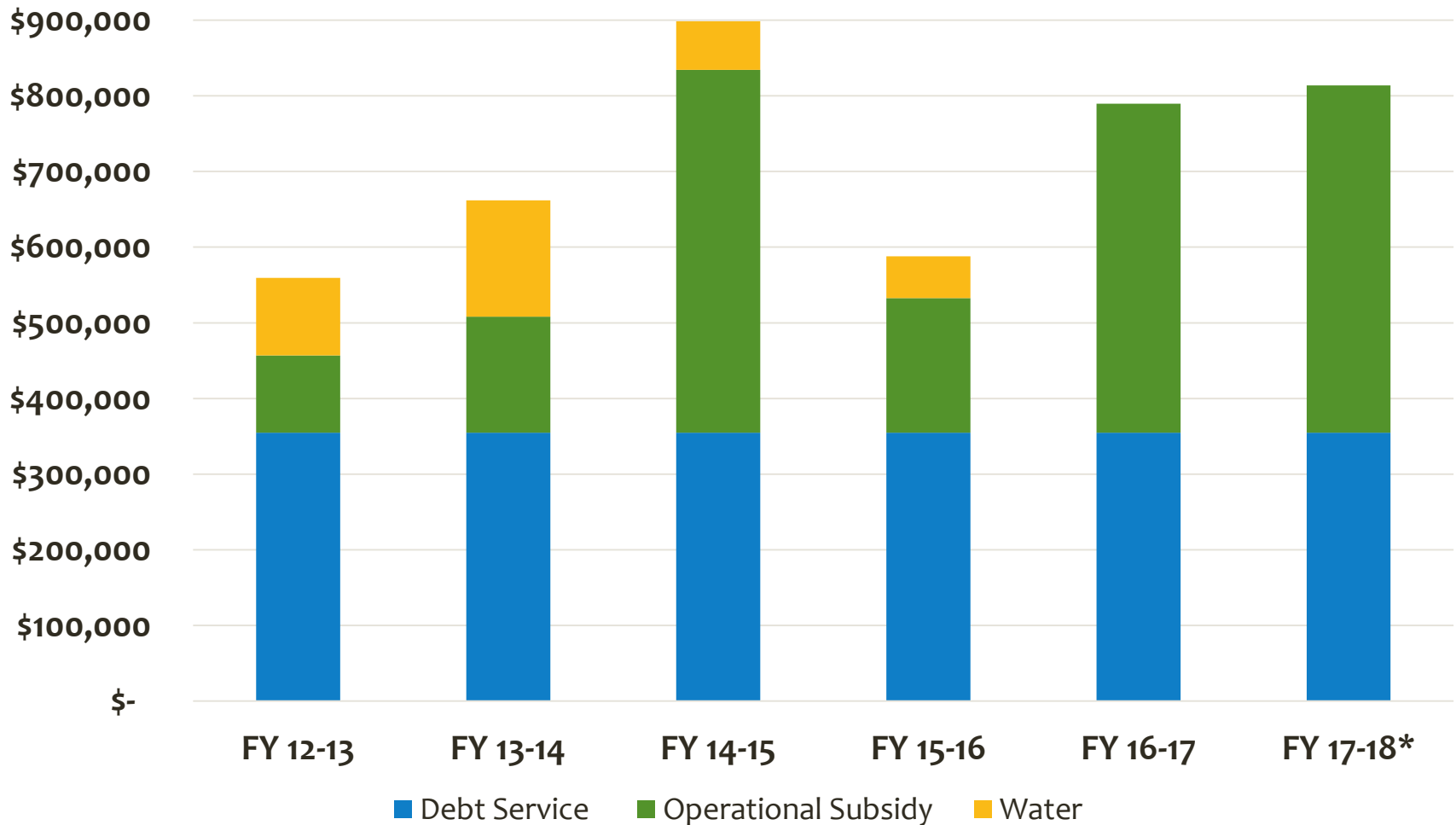
- Authorize City Manager to negotiate an Exclusive Right to Negotiate Agreement for the revitalization of Blue Rock Golf Course with four parties:
 - Greg Norman Golf Course Design
 - William Lyon Homes
 - Dutra Cerro Graden
 - Touchstone Golf
- Return to City Council for authority to execute agreement

Background

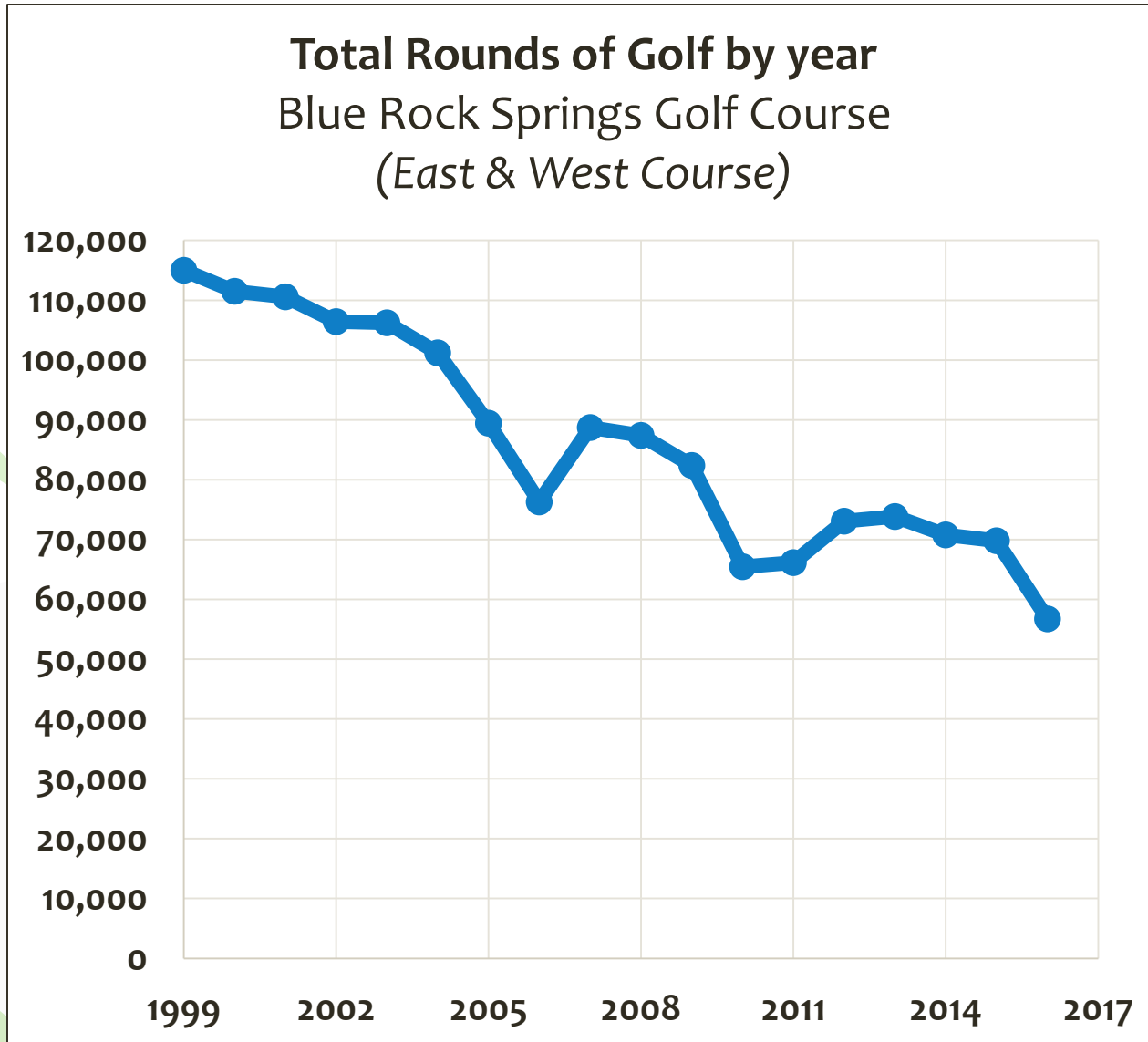
- Property carries \$7.15 million principal debt
- Prior to FY 2011-12:
 - Golf revenues covered operations & debt service
- Since FY 2012-13:
 - Course requires annual subsidy:
 - \$244,000 average operational subsidy
 - \$355,556 Debt service
- Total General Fund subsidies to date:
 - \$4.29 million

Golf Subsidies

Financial Impacts to City's General Fund
Blue Rock Springs Golf Course



Declining Demand for Golf



Reasons for Revenue Shortfall:

- Declining rounds played
- National golf trends
- Local golf market saturation
- Dated clubhouse
- Annual debt service
- No capital investment

RFQ Process

- June 13, 2017 Council direction:
 - Solicit alternative bids for management and renovation of the course
- August 2, 2017 – Community meeting seeking feedback
- August 8, 2017 – RFQ Released
 - Goals:
 - Eliminate subsidies but retain public golf activities
 - Renovate/rebuild clubhouse
 - Preserve community aesthetics

RFQ Process

- 9 responses received
- 4-member evaluation team:
 - Ron Gerber, Jose McNeill, Will Morat, Gabe Lanusse
- Staff engaged four entities on long-term revitalization project
- January 1, 2018 – Touchstone begins management
- January 10, 2018 – Community Meeting

RFQ Process

- Public Private Partnership provides mechanisms to:
 - Secure private investment for revitalization
 - Reduce/eliminate City subsidies & debt
 - Minimize potential impact on residents with open space buffer
 - Build new residential community

Revitalization Project Concepts

- Best of 18 course redesign
 - New 18-hole “Greg Norman Signature” public course
 - Maintains golf course or open space buffers adjacent to
 - Existing housing
 - Blue Rock Springs Park
 - Syar Industries quarry
- 2/3 of property remains golf, recreation and/or open space
- 1/3 of property utilized for residential development

Property & Course Redesign General Concepts

- CONCEPTUAL -



Revitalization Project Concepts

- New multi-use clubhouse, dining & recreation facility
- Municipal/public course with market rate green fees
- Eliminates/reduces City debt
- Financing mechanisms for infrastructure & services

Public Private Partnership Team

- Greg Norman Golf Course Design
- William Lyon Homes
- Dutra Cerro Graden (DCG)
- Touchstone Golf

Next Steps

- Staff will draft ERN
 - Guiding project concepts
 - Good faith deposits
 - Market and fiscal analysis
- Return to City Council for ERN execution

Recommendation

By motion:

- Authorize City Manager to negotiate an Exclusive Right to Negotiate Agreement for the revitalization of Blue Rock Golf Course with four parties:
 - Greg Norman Golf Course Design
 - William Lyon Homes
 - Dutra Cerro Graden
 - Touchstone Golf
- Return to City Council for authority to execute agreement

Questions?

Will Morat

will.morat@cityofvallejo.net

707-648-4109

