



AGENDA MEMORANDUM

First Reading Ordinance City Council Meeting December 20, 2022
Second Reading Ordinance City Council Meeting January 10, 2023

DATE: December 20, 2022

TO: Peter Zanoni, City Manager

FROM: Robert Dodd, Director of Parks & Recreation
RobertD4@cctexas.com
(361) 826-3133

<p>Amendment to Lease Agreement with Foresight Corpus Christi Golf, L.L.C.</p>

CAPTION:

Ordinance approving the Second Amended and Restated Addendum No. 1 to Lease Agreement with Foresight Corpus Christi Golf, L.L.C. a Texas Limited Liability Company, which provides for \$400,000.00 from the Golf Fund and \$1,160,000 from the approved Certificates of Obligation for increased construction costs for improvements to the Gabe Lozano Golf Center Executive Nine Hole Course and practice range project; appropriating \$412,000 from the Golf Fund; and amending the operating and capital budgets.

SUMMARY:

This Ordinance authorizes a second amended and restated Addendum No.1 to the two-year service agreement with Foresight Corpus Christi Golf, L.L.C. and provides for \$400,000.00 from the Golf Fund and \$1,160,00 from approved Certificates of Obligation for increased construction costs to the Lozano Golf Center project, and an additional \$12,000 to cover the City's administrative interdepartmental fees.

Due to supply shortages and an increase in market costs, the initial estimate is no longer sufficient to cover the construction cost for the executive golf course and practice range. The City will provide a total funding amount of up to \$4,360,000 for the Lozano Golf Center project on a capital improvement basis. The additional funding is available in the Golf Fund from revenue generated at Gabe Lozano and certificates of obligation.

BACKGROUND AND FINDINGS:

The City of Corpus Christi and Foresight Corpus Christi Golf, L.L.C. (FCCG), entered into a Lease Agreement for the operation of Lozano Golf Center in February 2011. Foresight Corpus Christi Golf (FCCG) has continually operated the property since 2010 and the current lease agreement expires on January 31, 2031. The lease agreement authorized to segregate and hold the Capital Fund to fund capital improvement projects for the golf course with approval from the City Manager.

On September 14, 2021, an Addendum (No. 1) to the Lease Agreement with FCCG was approved by City Council to provide funding up to \$2,300,000.00, as included in the FY 2022 and FY 2023 Capital Budget, on a reimbursement basis, for the renovation of the executive nine-hole golf course and practice

range at Lozano Golf Center with approval from the City Manager.

Soon after approval of Addendum No. 1, the Corpus Christi B Corporation Board approved additional funding in the amount of \$500,000 for lighting improvements at the practice range and executive 9-hole course at Lozano Golf Center, increasing the original funding from \$2,300,000 to \$2,800,000.

The proposed capital improvements will extensively renovate the existing practice range and 9-hole executive golf course. The proposed improvements included an additional 10,000 square foot practice green, expand practice tees (50 hitting stations), create a short-term practice area/pitching area with targets. The practice range will be excavated and lowered to facilitate drainage, allowing maximum hours of operation. A Scottish-style “burn” will also be added to offer interest and facilitate drainage. The “burn” will drain into the existing drainage channel along the east side of the golf course.

This additional funding for the executive 9-hole course and practice range would create “state of the art” practice facilities that will serve as additional high-quality inventory for the City’s residents and tourists; an excellent venue for instructional programming/practice for high school/middle school golf. Completion of the project will aide in fostering a greater partnership with the Corpus Christi Convention and Visitors Bureau, helping Corpus Christi become a true golfing destination.

Approval of this item will ensure that adequate funding is available to complete the project. The engineering phase is complete, and permits have been obtained for the lighting project. The estimated completion of the construction project is May 2023.

ALTERNATIVES:

An alternative is to not provide additional funding which may reduce and delay improvements to the project, which may result in potential revenue loss.

FISCAL IMPACT:

The fiscal impact of the amendment for this project is a total funding amount of \$4,360,000 in capital improvement expenditures.

FUNDING DETAIL:

Fund:	4690	Golf Center
	3298	Park & Rec 2023 CO
Organization:	35200	Gabe Lozano Golf Course Maintenance
Activity:	220183280EXP	Park CIP Fund
	220183298EXP	Park & Rec 2023 CO
Mission Element:	141	Manage/maintain recreational facilities
Project # (CIP Only):	22018	Gabe Lozano Golf Course
Account:	548500	Operating Transfers Out
	550910	Construction contracted

RECOMMENDATION:

Staff recommends approval of the Second Amended and Restated Addendum No. 1 to Lease Agreement with Foresight Corpus Christi Golf, L.L.C. a Texas Limited Liability Company, as presented.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Council Approved CIP page
Amended CIP Page

Lease Amendment
Presentation