



AGENDA MEMORANDUM

One-reading Ordinance for the City Council Meeting November 10, 2020

DATE: October 12, 2020

TO: Peter Zaroni, City Manager

FROM: Tracey Cantu, Interim Director for Parks and Recreation
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<p>Ordinance Approving Amendment to the Lease Agreement for Operation and Management of City's Two Municipal Golf Courses by Foresight Golf.</p>

CAPTION:

Presentation on City Municipal Golf Course Operations and One-reading Ordinance approving Amendment No. 2 to the Lease Agreement with Foresight Corpus Christi Golf, L.L.C ("Foresight") regarding the Capital Fund for golf course capital projects and City use of golf courses.

SUMMARY:

Ordinance authorizing extension of the Lease Agreement between the City of Corpus Christi and Foresight Golf to manage and maintain the City's two Municipal golf courses and the Capital Fund for golf course capital projects.

BACKGROUND AND FINDINGS:

On February 1, 2011 the City of Corpus Christi Parks & Recreation Department entered into a Lease Agreement with Foresight Golf to manage the City's two golf courses, Oso Beach Golf Course and The Gabe Lozano Sr. Golf Course. This has been a successful partnership for the City of Corpus Christi as Foresight has increased the playability and overall quality of the golfing experience at both courses. Additionally, Foresight assumes liability for operational costs and shares 50% of net revenue with the City helping to re-establish the Golf Fund as an enterprise. During the term of the lease the Golf Surcharge fee has collected \$1,035,000 as of August of this year. Foresight has utilized these funds for capital improvement projects to the golf courses and facilities.

ALTERNATIVES:

The City could hire staff to operate and manage the two Golf Courses for the City. However, Foresight Golf has been a good partner for the City through their efficient

management and excellence in operations and maintenance of the City's Municipal Golf Courses. This extension is practical and exercises the confidence we have in Foresight's ability to continue to provide an excellent service to our community. It is in the City's best interest to continue this proven partnership.

FISCAL IMPACT:

The City will no longer collect and maintain the capital improvement surcharge to fund the Capital Fund for golf course capital projects. The Operator shall create a segregated capital improvement sinking fund for the Golf Courses to hold the Capital Fund and make such Capital Fund available to only fund capital improvement projects at the Golf Courses.

FUNDING DETAIL:

Fund:	4691 Golf Capital
Organization/Activity:	80000 Reserve Appropriation
Mission Element:	888 Revenue
Project # (CIP Only):	N/A
Account:	32101 Gabe Lozano Green Fee Surcharge
	322121 Oso Green Fee Surcharge

RECOMMENDATION:

Staff recommends approval of this ordinance approving Amendment No. 2 to the Lease Agreement with Foresight Corpus Christi Golf, L.L.C ("Foresight") regarding the Oso Golf Course and the Lozano Golf Course to allow Foresight to use the capital improvement surcharge to fund the Capital Fund for golf course capital projects directly upon collection as opposed to the current arrangement whereby they remit the dollars to the City only for the City to give the dollars back to Foresight. Additionally, the amended lease would provide for occasional use of golf courses by the City.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Lease Amendment
Presentation