



MONARCH BAY
Golf Club

Facilities and Transportation Committee

April 11, 2024

Renewal of Management Agreement with American Golf Corporation [AGC]



1. Staff Recommendation: That the Facilities and Transportation Committee recommend to the City Council Renewal of AGC Management Agreement to November 15, 2029

a. Review of Due Diligence & Contract Compliance with AGC

b. Review Justification for Recommendation

2. Update on Golf Course Capital Improvement Projects



- AGC's Agreement expires in 8 months – November 15, 2024
- The City and AGC may mutually agree to renew this Agreement for up to two (2) successive five (5) year terms
- AGC has been a good partner with the City and has invested and paid rent to the City of approximately \$28M between 1997 -current
- Staff has completed thorough review and due diligence on contract compliance
- Survey of golf community – very positive results on AGC's performance
- Will require City Council approval



- Survey sent to 36,000 golfers – January 2024 – 500 responded
- 75% play weekly to monthly – high users
- 65% indicate Monarch is their primary course
- 52% are Player's Club Members
- 21% San Leandro - 79% - local cities
- 60% rate VALUE as excellent or good; 24% average
- 60% say course conditions have improved in last 3 years
- 95% indicate staff is friendly and helpful



- Successful 27 Year Business Partnership with AGC
- AGC is one of the most experienced operators in the US with 50+ years of experience
- Strong support from the San Leandro Golf Community of AGC's operations
- Continued participation with Shoreline Developers by AGC
- As demonstrated by net incomes to the City over the last 4 years, AGC has a proven record of controlling expenses – which produces net revenue to the City for funding future capital improvements over the next five years
- No need for General Fund support since 1996

AGC's Contract Compliance



1. AGC has operated Monarch Bay since 1997 and has not been out of compliance per Section 7.1 Termination by Owner and Section 7.3 Curing Defaults
2. AGC has submitted their 24/25 Annual Plan which staff is reviewing
3. Financial Review underway
4. An inspection report of compliance with Maintenance Standards will be completed by a former USGA agronomist

Driving Range Structure	\$ 81,000	Completed: Lighting and Safety Netting Repairs; Upgrade of Fire Safety System ; Needs Assessment and Cost Opinion on Full Structure Renovation (Cost estimate =\$3M)
Golf Course 20-year needs assessment	\$ 27,000	Complete = Capital Needs=\$14M over 20 years
Clubhouse 20-year needs assessment	\$ 20,000	In progress. Complete June 30
Clubhouse Roof Repairs	\$ 27,000	Complete
Clubhouse Restroom Repairs	\$ 105,000	Complete
Clubhouse Security System	\$ 54,000	Complete
Clubhouse HVAC repairs	\$ 23,000	Complete
Resurfaced Parking Lot and Concrete Repairs	\$ 570,000	Complete
Renovation of 7 acre landing area	\$ -	No cost to City
Tree Maintenance	\$ 150,000	Multi Year Project
Renovate Lema Tee Boxes (phase 1)	\$ 250,000	Complete in 24/25
Lema Irrigation Audit/Improvements	\$ 200,000	In progress. Complete 24/25
Maintenance Equipment Replacement	\$ 130,000	Complete
Totals	\$ 1,637,000	
<u>24/25</u>		
Renovate Lema Tee Boxes (final phase)	\$ 250,000	Complete in 25/26
Renovate Lema Fairway Bunkers	\$ 200,000	Complete in 24/25
Maintenance Equipment Replacement	\$ 75,000	Ongoing



1. Questions

2. Staff recommendation- Facilities and Transportation Committee recommend Renewal of the Agreement with AGC to the City Council