

Facilities and Transportation Monarch Golf

A white golf ball with a dimpled texture is positioned on the right side of the frame, resting on a green grassy surface. The background is a blurred green field, suggesting a golf course.

June 5, 2024

Recommendation

- Committee to recommend to City Council the renewal of a 5-Year Contract with America Golf Corporation (AGC) with the following provisions:
 - Incorporate minor additions clarifying ownership of equipment.
 - Include termination clause upon successful Lease Agreement with another operator if needed.
 - Confirm all other terms remain unchanged.

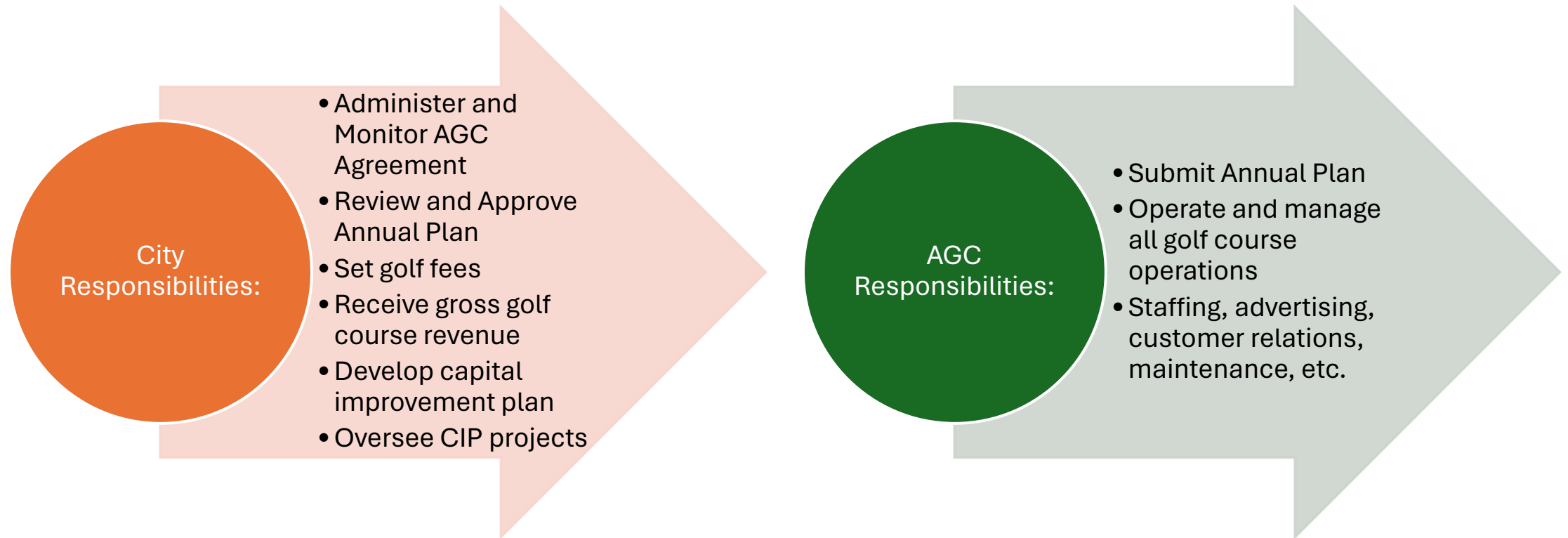




Background

- The current management agreement with American Golf Corporation (AGC) will expire on November 14, 2024.
- Potential interruptions to golf operations if the agreement expires.
- In 1997, AGC invested \$8.1M (equivalent to \$15.7M in 2024) in renovations, including double-deck driving range and course improvements, in addition to numerous Capital Improvement projects.
- Positive economic returns despite industry challenges.

Management Agreement Overview



AGC's Track Record



Experience, positive community relations, and economic performance support renewal.



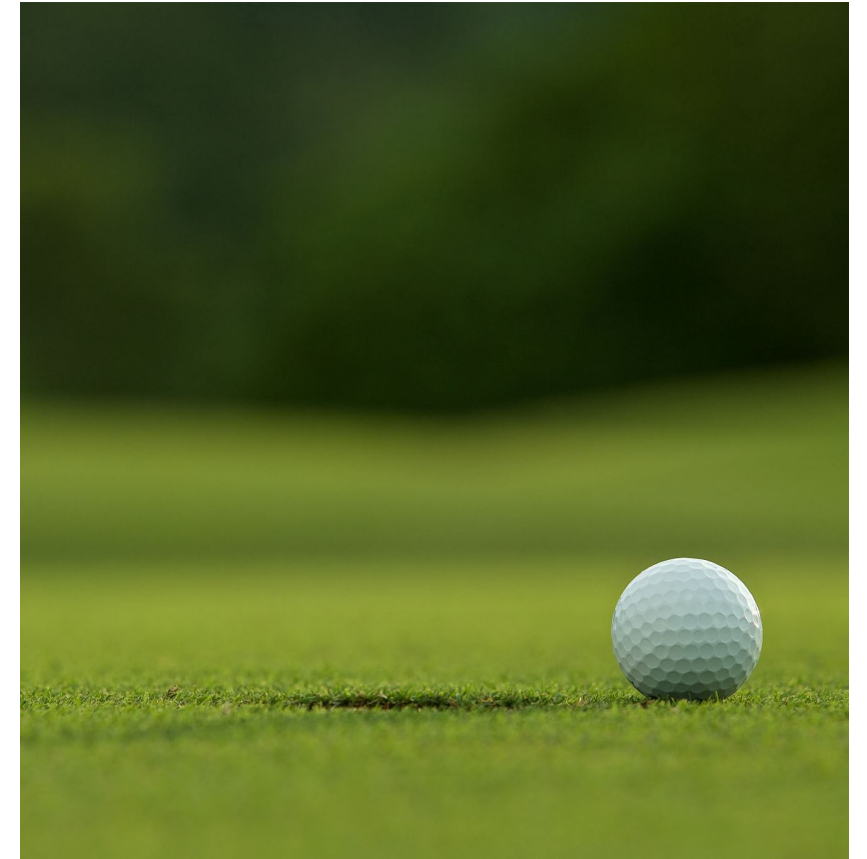
Projected revenues of \$6.2 million over next five years validate agreement's financial viability.



Robust financial performance: AGC's projected net revenues for FY 2024 are \$1,242,022.



Recent Golf Course Inspection Report scored 95.5 out of 100 points.



Fiscal Impact

- No fiscal impact on the City's General Fund.
- All net revenues will be allocated to the Golf Fund for administration and Capital Improvement Projects.
- Anticipated total net revenues for the proposed 5-year term: Approximately \$6.2 million.



Next Steps

- Staff will return with a comprehensive long-range plan for the golf course:
- Analyze market trends.
- Complete a 10-year financial forecast.
 - Address budget deficit on driving range and renovation projects.
- Identify goals and objectives.
 - Present Golf Course Operational Alternatives (RFP)
- Establish a clear timeline for implementation.





Questions and Answers